98TH CONGRESS
2d Session

HOUSE OF REPRESENTATIVES

REPT. 98-1152
Part 1

REPORT

OF THE

COMMITTEE ON RULES
HOUSE OF REPRESENTATIVES

NINETY-EIGHTH CONGRESS

SECOND SESSION

CONGRESSIONAL BUDGET ACT AMENDMENTS OF 1984

(TO ACCOMPANY H.R. 5247)

together with

MINORITY AND ADDITIONAL VIEWS

[Including cost estimate of the Congressional Budget Office]

OCTOBER 1984

Printed for the use of the Committee on Rules

U.S. GOVERNMENT PRINTING OFFICE
38-708 O WASHINGTON : 1984

H683-4

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CONTENTS

	Page
Transmittal Statement	1
Amendments	1
General Statement	4
Background and Summary	6
Legislative History	10
Introduction	10
Task Force Action	11
Committee Action	18
Explanation of Amendments Adopted in Committee	20
Principal Purposes	23
Single Binding Budget Resolution	23
Summary	23
Explanation	23
One Binding Budget Resolution	25
Content of Resolution	25
Credit Activity	25
Entitlement Authority	25
Tax Expenditures	28
Outyear Budget Levels	28
Public Debt	29
Macroeconomic Focus	30
Accelerated Timetable	32
Summary	32
Explanation	32
Authorization, Budget and Appropriations Process Priorities in Scheduling Legislation	32
Timetable for President's Budget and House Organization	34
Timetable for Authorization of Appropriations	35
Alternative Approaches To Ensure Timely Consideration of Authorizations	39
Require Multiyear Authorizations	39
Earlier Reporting Deadline	40
Enactment Deadline	41
Timetable for Budget Resolutions	42
Timetable for Appropriation Legislation	42
Timetable for Reconciliation	45
Timing-Related Changes Not Recommended at This Time	46
Biennial Budgeting	46
Automatic Continuing Appropriation	46
Strengthened Controls	46
Summary	46
Explanation	47
Budget Controls	47
Prohibition Against Consideration of Implementing Legislation Prior to Adoption of Budget Resolution	53
Procedural Enforcement of the Budget Resolution under the Congressional Budget Act of 1974	54
Procedural Enforcement of New Legislation Under H.R. 5247	58
Committee Allocations	58
Multiyear Controls	60
Strengthened Reconciliation	61
New Spending Authority	62
Information	65

Page

Principal Purposes—Continued
Strengthened Controls—Continued
Explanation—Continued
Information—Continued
Pending Measures 65
Scorekeeping and Status Reports 66
Backdoor Financing 66
Congressional Budget Office Cost Estimates and Baseline 67
Expanded Coverage 69
Summary 69
Explanation 70
Credit 70
Current Practice 70
Strengthening Credit Controls 71
Federal Financing Bank 71
Tax Expenditures 72
Current Practice 72
Recommended Controls on Tax Expenditures 73
Off-Budget Federal Entities 76
Institutional Coordination 78
Summary 78
Explanation 79
Brief Section-by-Section Summary 84
Detailed Explanation of the Provisions of H.R. 5247 As Reported 86
Committee Vote 122
Committee Cost Estimate 122
CBO Cost Estimate 122
Inflationary Impact Statement 123
Committee Oversight Findings 123
Oversight Findings of the Committee on Government Operations 124
Changes in Existing Law 125
Changes in House Rules 169
Views of Committee Members 174

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CONGRESSIONAL BUDGET ACT AMENDMENTS OF 1984

OCTOBER 5, 1984.—Ordered to be printed

Mr. PEPPER, from the Committee on Rules, submitted the following

REPORT

together with

MINORITY AND ADDITIONAL VIEWS

[To accompany H.R. 5247 which on March 27, 1984 was referred jointly to the Committees on Rules and Government Operations]

[Including cost estimate of the Congressional Budget Office]

The Committee on Rules, to whom was referred the bill (H.R. 5247) to amend the Congressional Budget Act of 1974 to improve the congressional budget process, and for other purposes, having considered the same, reports favorably thereon with amendments and recommends that the bill, as amended, do pass.

AMENDMENTS

The amendments (stated in terms of the page and line numbers of the bill as introduced) are as follows:

(1) On page 4, line 9, strike out "under subsection (b)(3)".

On page 22, line 2, strike out "under section 301(b)(3)".

On page 24, lines 1 and 2, strike out "under section 301(b)(3)".

On page 26, line 11, strike out "under section 301(b)(3)".

(2) On page 8, line 2, before the period insert the following: ", including an explanation of how such matters compare with the views and estimates of the standing committees of its House".

(3) On page 9, after line 19, insert the following paragraph:

"(h) BUDGET COMMITTEES CONSULTATION WITH STANDING COMMITTEES.—The Committee on the Budget of each House shall consult with the standing committees of its House during the preparation, consideration, and enforcement of the concurrent resolution on the

budget with respect to all matters which relate to the jurisdiction or functions of such committees."

(4) On page 10, line 15, insert at the end thereof the following new sentence: "The allocation provided under this subsection shall not extend beyond the assumed duration of the programs intended to be covered by the allocation.".

(5) On page 11, line 21, strike out "subsection (b)" and insert in lieu thereof "subsections (b) and (e)".

On page 12, strike out lines 5 through 16, and insert in lieu thereof the following:

"(e) DIVISION OF BUDGET TOTALS AMONG COMMITTEES.—

"(1) For purposes of information, the report accompanying a concurrent resolution on the budget and the joint explanatory statement accompanying a conference report on a concurrent resolution on the budget shall include an estimated division, based upon such concurrent resolution recommended in such report or in such conference report of the appropriate levels of total budget outlays, total new budget authority, total entitlement authority, total direct loan obligations, and total primary loan guarantee commitments among each committee of the House of Representatives and the Senate which has jurisdiction over such authorities.

"(2) As soon as practicable after any such conference report is filed—

"(A) the Committee on Appropriations of each House shall, after consulting with the Committee on Appropriations of the other House, subdivide among its subcommittees its share of the estimated division of budget outlays set forth in such conference report; and

"(B) every other committee of the House and Senate with respect to which an estimated division of budget outlays is made in such conference report shall, after consulting with the committee or committees of the other House to which all or part of such subdivision is made, subdivide its share of the estimated division of budget outlays among its subcommittees or among programs over which it has jurisdiction."

(6) Page 33, line 10, strike out the period and insert in lieu thereof a semicolon.

Page 36, line 25, insert a comma after "resolution".

Page 44, line 11, strike out the comma after "report" and insert a comma before "conference".

Page 45, line 2, insert quotation marks after the period.

Page 53, line 1, insert "the items of" before "such".

Page 55, line 2, strike out the period before the quotation marks and insert a period after the quotation marks.

(7) Page 33, line 6, insert "(b)" after "section 302".

Page 33, strike out lines 9 and 10 and insert in lieu thereof the following:

"(B) comparing the outlays estimated to result from any such measure for such fiscal year with the estimated subdivisions of outlays in reports submitted under section 302(e) for the most recently agreed to concurrent resolution on the budget for such fiscal year;".

Page 33, line 22, strike out "and"; line 25, strike out the period and insert in lieu thereof "; and"; and after line 25 insert the following:

"(F) comparing the levels provided by any such measure with the levels provided by law for the fiscal year preceding such fiscal year, and with levels requested by the President for such measure for such fiscal year.".

Page 34, strike out line 17 and all that follows thereafter through page 35, line 11, and insert in lieu thereof the following:

"(b) UP-TO-DATE TABULATIONS OF CONGRESSIONAL BUDGET ACTION.—

"(1) The Director of the Congressional Budget Office shall issue to the committees of the House and the Senate reports on at least a monthly basis detailing and tabulating the progress of congressional action on bills and resolutions providing new budget authority, new spending authority described in section 401(c)(2), new credit authority, or providing an increase or decrease in revenues or tax expenditures for a fiscal year. Such reports shall include, but are not limited to—

"(A) an up-to-date tabulation comparing the appropriate aggregate and functional levels (including outlays) included in the most recently adopted concurrent resolution on the budget with levels provided in bills and resolutions reported by committees or adopted by either House or by the Congress, with levels provided by law for the fiscal year preceding such fiscal year, and with levels requested by the President for such fiscal year;

"(B) an up-to-date tabulation comparing levels of discretionary action for a fiscal year in bills and resolutions reported by committees or adopted by either House or by the Congress with allocations for discretionary action in reports submitted under subsection (a) and (b) of section 302, with levels provided by law for the fiscal year preceding such fiscal year, and with levels requested by the President for such fiscal year; and

"(C) an up-to-date tabulation comparing levels of budget outlays for a fiscal year estimated to result from bills and resolutions reported by committees or adopted by either House or by the Congress, or estimated to result from existing law within the jurisdiction of such committees with estimates of outlays in reports submitted under section 302(e).

(2) The Committee on the Budget of each House shall make available to Members of its House summary budget scorekeeping reports. Such reports—

"(A) shall be made available on at least a monthly basis, but in any case, frequently enough to provide Members of each House an accurate representation of the current status of congressional consideration of the budget;

"(B) shall include, but are not limited to, summaries of tabulations provided under subsection (b)(1); and

"(C) shall be based on information provided under subsection (b)(1) without substantive revision.

The chairman of the Committee on the Budget of the House shall submit such reports to the Speaker and they shall be printed as House documents."

(8) Page 36, line 23, strike out "may" and insert in lieu thereof "shall"

(9) Page 37, line 12, after "changed" insert the following: "and provide an estimate of the resulting change in budget outlays,".

(10) Page 38, strike out lines 10 through 18, and redesignate the succeeding subsections accordingly.

(11) Page 48, line 6 after "401(c)(2)" insert "and which provide permanent appropriations".

(12) On page 53, after line 18, insert the following new section:

MEMBERSHIP OF COMMITTEE ON THE BUDGET

SEC. 306. The first sentence of paragraph (e)(1) of clause 1 of rule X of the Rules of the House of Representatives is amended to read as follows:

"(e)(1) Committee on the Budget, to consist of—

"(A) majority party Members as follows:

"(i) one Member to serve as chairman;

"(ii) three Members who are members of the Committee on Appropriations, three Members who are members of the Committee on Ways and Means, two Members who are members of the Committee on Rules, and eight Members from other standing committees (except the Committee on Standards of Official Conduct); and

"(iii) one Member designated by the Speaker from its leadership; and

(B) minority party Members as follows:

"(i) one Member from its leadership; and

"(ii) such additional Members necessary to maintain the appropriate ratio for the committee.".

Redesignate the succeeding sections accordingly.

(13) Page 55, strike out line 9 and all that follows thereafter through page 56, line 12.

GENERAL STATEMENT

H.R. 5247 is designed to strengthen, streamline and simplify the budget process established by the Congressional Budget Act of 1974. Although the Budget Act has succeeded in focusing unprecedented attention on budgetary decision-making and on the fiscal impact of those decisions, the congressional budget process has not operated well and has become the source of great controversy. As of September 15, 1984, the date by which the Act requires adoption of the second budget resolution for fiscal year 1985, the first budget resolution for fiscal year 1985 has not been adopted. There seems to be an increasing tendency to attempt to achieve budgetary control through ad hoc constraints on spending, such as the appropriation caps proposed by the Senate as amendments to the Reconciliation Act of 1984 (H.R. 4170). Congress is still dependent on continuing resolutions to fund the government because of the failure to enact general appropriation bills in a timely manner. The budget process is under severe attack both from those who believe that it

is too weak because federal deficits have grown so large in recent years and from those who believe it is too far-reaching because it has interfered with the traditional legislative process and imposed deep spending cuts in some programs over the objections of the committees with jurisdiction over those programs.

The Committee is convinced that the budget process is worth saving. It is almost inconceivable that Congress would return to the old system of acting independently on each piece of budgetary legislation and then adding up the results and calling that a budget. Critics of the budget process often forget what fiscal decision-making was like prior to adoption of the Congressional Budget Act. It is conceivable that a budget process dramatically different from our current one would be effective, but the Committee believes that adoption of a dramatically different approach to budgeting, with the drastic changes in committee jurisdiction and legislative procedures that would likely be required to make such a system work, is not feasible at this time. Therefore, the Committee recommends adoption of H.R. 5247, which builds on the experience of the last ten years under the Budget Act. H.R. 5247 retains the basic structure of the existing process, with the adoption of a congressional budget resolution guiding the enactment of subsequent spending and revenue legislation, but it recommends improvements in that process. While it does not represent a radical change in budget procedures, H.R. 5247 does contain reforms which will substantially improve the ability of Congress to set and enforce national fiscal policy and priorities.

It is clear that H.R. 5247, or any other budget process reform, cannot achieve all that the critics of the congressional budget process would like. The Committee is convinced that no budget process can bring federal deficits under control in the absence of the political will to make the hard decisions necessary to bring federal spending and revenue levels closer together. Similarly, no process can achieve overall budgetary control without interfering with the understandable desire of committees to promote and protect programs within their jurisdictions.

H.R. 5247 does, however, modify the budget process to make it easier for political will to be translated into budgetary policy, and to give the committees of Congress maximum flexibility to legislate within the confines of congressionally established fiscal policy and priorities. It also makes changes intended to allow the budget process to proceed more expeditiously and with less confusion.

In brief, H.R. 5247:

Strengthens the budget process by establishing new controls to ensure that spending and revenue levels stay within the limits set in the budget resolution and by expanding the application of controls to all legislation which has direct budgetary implications.

Streamlines the budget process by requiring adoption of only one budget resolution a year, by speeding up the whole budget process, and by encouraging and facilitating early consideration of all legislation affecting budgetary policy.

Simplifies the budget process by clarifying the requirements and restrictions imposed on the legislative process by the provisions of the Budget Act and by the adoption of a budget reso-

lution, so that committees and members will know in advance what legislation would be subject to sanction for violating budget limitations.

H.R. 5247 represents the first serious effort to enact a comprehensive reform of the budget process since the enactment of the Budget Act in 1974. The process has, of course, changed a great deal since 1974, but the changes have been the result of piecemeal modifications, largely through use of the "elastic clauses" of the Budget Act which allow procedural changes to be included in the yearly budget resolution if necessary. Many of these changes have been positive. Many are retained and codified by H.R. 5247. The Committee believes, however, that it is time to enact a comprehensive reform and to stop making changes in the budget process each year. These ad hoc changes have contributed significantly to the current dissatisfaction with the budget process. There are legitimate complaints that these changes have led to confusion. It is difficult to know at any given time what the budgetary rules are and how they will be applied. As soon as committees adjust to one set of requirements and constraints a new set is put in place. There is dissatisfaction among those who feel that they have not been able to fully participate in the formulation of new rules and procedures which affect their legislative efforts. This confusion and dissatisfaction is the inevitable result of yearly procedural changes made in the heat of debate on the substance of a budget resolution.

The Committee is convinced that yearly piecemeal changes in the budget process must end. Adoption of the comprehensive reforms contained in H.R. 5247 will establish clearly the rules and procedures applicable to the budget process and eliminate the need for adjustments every year. The adoption of H.R. 5247 will establish improved budget procedures which can work and will ensure that Congress is given the chance to make them work.

Background and Summary

BACKGROUND

The Congressional Budget Act of 1974

The cornerstone of the budget process established by the Congressional Budget Act of 1974 is a first budget resolution, adopted in the spring, which sets targets and provides general budgetary guidelines.

When Congress adopts the first budget resolution, each committee receives a spending target, an amount allocated to each committee for which it is responsible. A committee then subdivides its allocation among its subcommittees or programs and promptly reports its division to its House. Spending and revenue legislation is considered in the summer months and Members can be guided on their votes by comparing targets set by the first budget resolution to the cost estimates of bills under consideration.

The Act also requires adoption of a second, binding budget resolution in September. The second budget resolution reflects budget reestimates, changes in the economy, unforeseen budget requirements, and a review of how revenue and spending legislation adopted during the summer compares with the target resolution

adopted in the spring. A special feature of the Act permits the second budget resolution to include reconciliation directives to committees to report revenue or spending legislation necessary to implement the fiscal and budgetary policies set forth in that budget resolution.

The Congressional Budget Act of 1974 has three other major features. First, it changes the beginning of the fiscal year and establishes a timetable for the purpose of reducing reliance on continuing resolutions. For a few years after the Act became effective, most appropriation bills were enacted into law prior to the beginning of the fiscal year, but that situation has deteriorated badly in recent years.

Second, the Act effectively closes then prominent "back doors" to the Treasury, including borrowing authority and contract authority. It also attempted, but with less success, to establish budgetary control mechanisms for entitlement authority. New forms of federal financial commitment have emerged for which existing controls are not effective.

Third, the Act establishes points of order to enforce the levels of total spending and revenue agreed to in the budget resolution. Consideration of any measure that would cause the total revenue floor or total spending ceilings in the second budget resolution to be breached is prohibited. However, shortcomings of this approach have become apparent. The point of order sanction comes too late in the process; it applies only to total spending and revenues; and it fails to fix responsibility clearly on the actions or failures to act that contributed initially to budgetary excesses.

The Budget Process Since 1974

Since 1974, Congress has experimented with a number of changes in the budget process, some of them reversing basic tenets of the Congressional Budget Act of 1974. In the last several years, Congress has not adopted a second budget resolution and has effectively made the first resolution binding after the start of the fiscal year to which it applies. Reconciliation has become a device to achieve deficit reductions by directing committees to change existing revenue and spending law, and is now initiated in connection with the first budget resolution. As yet, no firm deadline for approval of reconciliation legislation has developed, and there is no specified sanction for failure of a committee to report legislation directed by the Congress in the budget resolution.

As increasing attention has been given to limiting the growth of spending, credit assistance has rapidly grown. Controls of credit were not established by the Congressional Budget Act of 1974. Congress has adapted to the growth of credit programs in recent years, however, by adopting an advisory credit budget and by developing a credit scorekeeping system. Tax expenditures have also demonstrated dramatic growth. While the Act defines tax expenditures, it does not require the resolution to include a tax expenditures budget and does not limit tax expenditure legislation.

Efforts to place and keep all federal activities in the unified federal budget have had mixed results. Since 1974, a few programs that enjoyed off-budget status were returned to the unified federal budget. However, those actions have been more than offset by

recent legislation to remove from the unified budget, effective in fiscal year 1993, expenditures and revenues for the Social Security trust funds.

Increased attention has been given to the importance of a multi-year perspective in dealing with the Federal budget. Budget resolutions now include levels of total spending, revenue, deficit and debt and divisions of spending totals by major budget function for each of the two fiscal years after the upcoming fiscal year. These numbers are for planning purposes. Reconciliation directives also include recommendations for the two years after the upcoming fiscal year.

Enforcement procedures established by the Act have changed. The levels agreed to in the first budget resolution are enforced, after October 1, by a point of order against consideration of legislation that would cause those levels to be breached. The point of order does not apply, however, to measures within the jurisdiction of a committee that has not exceeded its allocation based on levels set in the first budget resolution.

Deferred enrollment has been used in a variety of ways, but it has not proved useful as a control device. It was not included in the first budget resolution for fiscal year 1985 adopted by the House. Reconciliation has also changed dramatically, as indicated above.

SUMMARY

The Committee recommends a course that builds on experience with the Congressional Budget Act of 1974 and on experience with the procedures that have evolved since it was enacted. The Congressional Budget Act Amendments of 1984, H.R. 5247, principally improves the budget timetable, strengthens the control system, and expands the scope of the process to include all Federal activities.

Following is a summary of the major features of H.R. 5247, as reported by the Committee, explained in terms of what will be required upon enactment of the bill.

Use of a Single, Annual Budget Resolution

One Budget Resolution Per Year.—Only one budget resolution per year will be required. That resolution will be nearly identical in structure to budget resolutions currently used. However, it will no longer be a target resolution. Budget levels set in the resolution will be binding on Congress immediately upon adoption of the resolution. Reconciliation directives, to the extent necessary, must be included in the budget resolution.

Possible Subsequent Resolutions.—Congress may adopt subsequent budget resolutions revising its earlier resolution at any time.

Rule for Floor Debate.—The Committee believes it is appropriate to continue to focus House consideration of budget resolutions on major fiscal and priority issues (principally through making in order substitute amendments), and require cost estimates, using the same economic assumptions, for all amendments.

Accelerated Timetable

President's Budget.—The President will be required to submit his budget by the first Monday after January 3, rather than fifteen

days after Congress convenes, as required by current law. The President will also be required to submit the text of legislation for any new entitlement or revenue proposals in his budget within two weeks after the budget submission.

House Organization.—The House will convene on January 3, as required by current law, and will be required to elect its committees within seven days.

Authorizations.—The House is urged to use the early months of the year to consider necessary authorization bills. On or near January 3, the Congressional Budget Office will submit a list of expiring authorizations which the Committee recommends for the use of committees and leadership in setting and announcing monthly schedules for consideration of authorizations between January and May. The current May 15 authorization reporting deadline will be repealed.

Budget Resolution.—Congress will be required to adopt the annual budget resolution by April 15, a month earlier than the deadline in current law. Committee views and estimates reports, now due on March 15, will be due by February 25.

Appropriations.—All appropriation bills will be reported to the House by June 10 (there is no reporting deadline under current law). The House will be prohibited from adjourning for the Independence Day District Work Period until it has completed consideration of all regular appropriation measures.

Reconciliation.—Likewise, the House must complete consideration of any reconciliation legislation before adjourning for the Independence Day District Work Period.

Senate Deadlines.—The Senate will be required to complete consideration of appropriation bills and reconciliation legislation by August 15.

Strengthened Controls

Immediate Application.—Enforcement procedures will, for the first time, be effective immediately upon adoption of the budget resolution.

Committee Accountability.—Budget control will focus on committee budget allocations, which may cover the budget impact of legislation for up to three years. Committees will be allocated amounts to cover assumed new legislation after the budget resolution is adopted. A new point of order could be made against spending, credit, and revenue measures that would cause a committee's discretionary action allocation to be breached.

Overall Budget Control.—The point of order controlling aggregate budget totals will be maintained. As in current practice, committee measures that would not cause the committee's own allocation to be breached, will not be subject to that point of order.

Reconciliation.—Reconciliation will be focused on entitlements, revenues, and other activities which are not normally reviewed by Congress annually. If a committee does not respond to reconciliation directives, the House Rules Committee is specifically authorized to make in order to the reconciliation legislation an amendment which conforms to the budget resolution directive for that committee.

New Financing Mechanisms.—New controls will inhibit the growing use of financing mechanisms that circumvent the annual appropriations process.

Expanded Coverage

Off-Budget Activities.—Government agencies and activities currently off-budget will be put on budget. Those scheduled to go off-budget will remain on. Legislation proposing off-budget status will be referred to the House Government Operations Committee.

Credit.—Direct loan obligations and primary loan guarantee commitments will be included in the budget resolution and subject to the same controls as direct spending. New credit programs will be controlled through the appropriations process.

Tax Expenditures.—The budget resolution may include a recommended change to the level of tax expenditures (separate from the current recommended change to the level of revenue). Reconciliation may direct a change in the level of revenue specifically from changes in tax expenditures.

Capital Budget.—Improved capital planning information is recommended, but a separate capital budget is not proposed.

Total Federal Commitment.—New information required in the report accompanying a budget resolution will display levels of spending, tax expenditures, and credit for each budget function to encourage trade-offs among programs with similar purposes but different forms of financing.

Improved Institutional Coordination

Safeguards on the Elastic Clause.—New procedures and other matters will continue to be permitted to be included in budget resolutions under authority of an "elastic clause," but H.R. 5247 ensures an opportunity to review procedural changes affecting the rules of the House. Changes to House procedures introduced in a budget resolution will be referred automatically to the Rules Committee for five days. Procedural changes first introduced in conference may be given separate consideration when the House considers the conference report. Consultations with affected committees is urged prior to initiation of new procedures.

Member User Group.—The Speaker, in consultation with the Minority Leader, will appoint a group of Members to review budgetary scorekeeping rules and practices, and advise him on them.

Legislative History

INTRODUCTION

The Congressional Budget Act Amendments of 1984 (H.R. 5247) reported by the Committee on Rules is the product of two years' review of the operations of the Congressional Budget Act of 1974. The Budget Act was enacted in a time of tension between the executive and legislative branches over the power of the purse. As a result of the Act, Members of Congress and the general public have become better informed and more aware of the budget implications of congressional action. The establishment of the Budget Committees and the Congressional Budget Office, and the institution of an

annual congressional debate over the budget plan are clearly responsible for greater congressional control of fiscal policy and budget priorities.

Recently, however, budget resolutions have been adopted later and later in the year, reflecting heightened political tensions over differences in budget priorities. Under the authority of the elastic clauses, budget enforcement procedures have been regularly modified in the first budget resolution each year. Increasingly, Congress waives section 303 and section 311 of the Congressional Budget Act of 1974, the two most important procedural controls in the Act. These trends reflect the political difficulty of adopting a realistic budget resolution. To the same extent, however, these trends suggest a growing dissatisfaction with the budget process itself.

The Committee firmly believes it is time for Congress to recommit itself to a budget process and to adopt reforms to improve the process. Reform requires an understanding of the causes of the present discontent. To that end, the Rules Committee established its Task Force on the Budget Process to study and review the operations of the Congressional Budget Act of 1974, including the procedural changes adopted since 1974, and to submit its recommendations for improving the budget process to the Rules Committee.

TASK FORCE ACTION

Representative Richard Bolling, then Chairman of the Rules Committee, appointed the Task Force on the Budget Process in March, 1982. The task force, chaired by Representative Anthony C. Beilenson, consisted of six voting members from the Rules Committee, and advisory members representing the Appropriations, Budget, and Ways and Means Committees and several authorizing committees. At the start of the 98th Congress, Rules Committee Chairman Claude Pepper reappointed the task force, expanded its advisory membership and renewed the task force's charge: to identify problems in the budget process and to develop practicable solutions.

The task force held thirty-one work sessions and eleven days of hearings. The first hearings were held in September, 1982, when all Members were invited to testify. The task force heard the testimony of Representatives Aspin, Brooks, Conyers, Donnelly, Edgar, Hance, Horton, Hoyer, Michel, Mineta, Nelson, Obey, Panetta, Whitten, and Wright, Delegate de Lugo, and Senators Domenici, Ford and Roth. Statements for inclusion in the hearing record were received from Representatives Clinger, de la Garza, Dingell, Erlenborn, Green, Heftel, Howard, Ireland, Patterson, Perkins, Price, Reuss, Roe, Rostenkowski, and Rudd, and Senators Hollings and Mathias. The task force also heard from the Director of the Congressional Budget Office, Alice Rivlin, the Comptroller General of the United States, Charles Bowsher, and the Co-Chairman of the Committee for a Responsible Federal Budget, the Honorable Robert Giaimo.

During testimony taken at the September hearings, Representative Aspin stated that the budget process has worked well, in fact, better than is commonly thought. He noted various reasons for delays in the appropriations process and he compared budget reso-

lution targets with actual budget levels. Representative Brooks expressed his support for the process but indicated that recent changes have jeopardized its continued success. He recommended that Congress accelerate its timetable, and consider multiyear budgeting and repeal of the "elastic clauses." Sections 301(a)(7) and 301(b)(2) are considered the elastic clauses. They permit the inclusion in a budget resolution of any other matter or procedure "considered appropriate to carry out the purposes of this Act." Under the authority of the elastic clauses substantial changes in procedures have been introduced including: the use of reconciliation in conjuction with the first budget resolution, the use of reconciliation to make legislative changes or changes in authorization levels, the "automatic" second resolution and changes in the criteria under which bills passed in both Houses will be delayed in the enrollment process.

Representative Conyers recommended that budget resolutions specify goals for long-term employment, production, investment, money supply and other significant socio-economic matters. Representative Donnelly praised the work of the House Budget Committee and suggested several changes in the budget process including: making the first resolution binding, providing reconciliation directives in the first resolution, eliminating the requirement for a second resolution, making the House Budget Committee an exclusive committee and repealing the rotation requirement for Members of that committee.

Representative Edgar spoke of the need for better capital budgeting information and discussed biennial budgeting. Representative Hance advocated several changes aimed at Congress' failure to comply with deadlines in the Act. He recommended a biennial budget, an omnibus appropriation bill, and a two-thirds majority to revise a budget resolution. Representative Horton suggested that Congress consider ways to accelerate the budget timetable, agree on common economic assumptions and give more prominence to savings from eliminating waste, fraud and abuse. Representative Hoyer suggested ways to ensure adherence to the resolution targets and to the Budget Act deadlines. He recommended establishing a Board of Revenue Estimators, requiring extraordinary majorities to breach the budget plan, and prohibiting consideration of legislation after a date certain if Congress has not completed action on required budget measures.

In his testimony before the task force, Minority Leader Michel expressed support for the process but recommended modifications along the lines of his bill, H.R. 6400. Representative Mineta said the process has been successful and recent changes necessary and useful. He also advocated incorporating recent changes in a reform bill that makes other modifications including: an omnibus appropriations bill, an automatic continuing resolution, an exemption from clause 2, rule XXI for appropriation bills after June 1, and improvements in capital budgeting. Representative Nelson said the process must be preserved but improved. He recommended a statutory requirement for a balanced budget, agreement on common economic assumptions, multiyear planning and a binding credit budget.

Representative Obey contended that the budget process is seriously flawed, invites "escapist budgeting", and is in need of radical change. He proposed an omnibus procedure by which Congress adopts a budget plan and the legislation implementing it in one package. Representative Panetta said the budget process needs fine-tuning not a major overhaul. He made some specific recommendations to strengthen reconciliation and also proposed a biennial budget cycle. Representative Whitten expressed support for the fundamental principles of the Budget Act, noting that he was co-chairman of the 1973 Joint Study Committee on Budget Control which recommended the original proposal that led to the Budget Act. Representative Whitten also criticized recent procedural changes introduced under the authority of the elastic clauses, and he recommended repeal of the elastic clauses, greater control of entitlements and of credit activity, and several ways to require or encourage more timely action on authorizations.

Majority Leader Wright said the Federal government should make two separate budgets: one for capital expenditures and one for operating expenses. Delegate de Lugo said the territories have special needs and recommended that the House Budget Committee staff include one person assigned to monitor the implications of budget policies for the territories.

Testimony was submitted for inclusion in the record by a number of Members. Representative Clinger recommended improvements in budgeting for capital expenditures. Representative de la Garza expressed support for the process and offered several recommendations for change including pushing back the date for reporting authorizations. Representative Dingell also expressed his support for the budget process but characterized recent changes as disruptive and unwarranted. He recommended changing the timetable, changing the selection process for members of the House Budget Committee, and simplifying enforcement procedures and other aspects of the budget process. Representative Erlenborn proposed several changes to enhance control over spending, including a single binding resolution with reconciliation instructions, a credit budget, common economic assumptions, and a three-fifths majority to waive spending ceilings. Representative Green suggested that the task force focus on two basic alternatives: to build on the current process or to develop an omnibus process. Representative Heftel recommended requiring a single binding budget resolution based on common economic assumptions and eliminating the required second resolution. Representative Howard recommended accelerating the timetable, exempting ninety percent self-financed trust funds from enforcement procedures, and prohibiting changes to authorizations in reconciliation measures or appropriation bills. Representative Ireland proposed a single binding resolution on a biennial cycle and other changes to reestablish the credibility of the budget process.

Representative Patterson favored a constitutional amendment to require a balanced budget, a capital budget, a credit budget and common economic assumptions. Representative Perkins said that Congress does not adhere to the original intent of the Congressional Budget Act. He recommended repeal of the elastic clauses, limiting the reconciliation process, accelerating the timetable, and re-

stricting the budget resolution to macroeconomic policy. Representative Price noted several achievements of the Congressional Budget Act but suggested that the budget process has had "grave" consequences for the legislative branch. He suggested accelerating the timetable and adhering to the original intent of the Act. Representative Reuss expressed support for the underlying process but contended that recent changes threaten committee responsibilities. He recommended procedures to conform monetary policy to congressional budget policy, standardized rules for indexing, inflation accounting for public debt, a separate capital budget and retention of the annual budget cycle. Representative Roe contended that the budget process should be limited to macroeconomic policy. He recommended changing the timetable and limiting reconciliation. Representative Rostenkowski recommended changes in the timetable, reconciliation in the first resolution with multiyear totals for entitlements and revenue changes, and enforcement procedures aimed at discretionary action. He opposed the deferred enrollment procedure and tax expenditure figures in a budget resolution. Representative Rudd proposed accelerating the timetable and avoiding line-item detail in the debate on budget resolutions.

Three Senators appeared before the task force during the September hearings to express their recommendations. Senate Budget Committee Chairman Domenici said the process is basically sound but in need of refinements. He said Congress might experiment with biennial budgeting on a selective basis, accelerate the timetable, strengthen reconciliation, provide better control of entitlements and of credit activity, return off-budget spending on budget, and provide points of order against measures that exceed committee allocations. Senator Ford expressed his support for the process but indicated the seriousness of unresolved timetable problems. He said there is not enough time in the annual cycle to make all the decisions required; therefore, he recommended a biennial cycle that retains the basic features of the Budget Act. Senator Roth expressed support for the process but he also advocated a two-year budget cycle.

Statements were submitted for the hearing record by Senators Hollings and Mathias. Senator Hollings argued against amending the Act. He conceded that there have been abuses but contended these are best prevented by informal changes in practice. Senator Mathias voiced support for the process but noted that the process has not promoted debate on major spending priorities, has not provided sufficient time to consider required legislation and has granted too much influence to the Budget Committees.

Testimony was also taken from the directors of two congressional support agencies. Alice Rivlin, then Director of the Congressional Budget Office, said the process has proven itself under difficult circumstances. She recommended ratifying some recent changes, including requiring a single binding budget resolution with reconciliation, adopting new procedures to control credit activity, bringing off-budget spending on budget, improving control over the appropriations process and strengthening control over tax expenditures. Charles Bowsher, Comptroller General of the United States, advocated changes in the process intended to simplify procedures and minimize redundancy. He said Congress should consider forms of

biennial budgeting, proposals to avoid funding gaps and ending reliance on continuing resolutions, efforts to control tax expenditures, proposals for omnibus budget legislation, ways to highlight credit programs, entitlement programs and capital investment programs within the unified budget, and means to agree on common economic assumptions.

The Honorable Robert Giaimo, Co-chairman of the Committee for a Responsible Federal Budget and formerly Chairman of the House Budget Committee, testified before the task force. He cautioned against amending the Act this year but said the Committee supported H.R. 7123, introduced by Rep. James Jones. He argued that membership on the House Budget Committee should be permanent and that Congress should reexamine automatic indexation for inflation.

On April 29, 1983, the task force heard from outside witnesses representing the AFL–CIO, Center on Budget and Policy Priorities, U.S. Chamber of Commerce, Committee for Economic Development, Committee for a Responsible Federal Budget, and National Association of Manufacturers. The task force also heard from John Ellwood, currently Associate Professor of Public Policy and Management, Dartmouth College and Charles Knerr, Associate Professor of Political Science, University of Texas at Arlington.

Peggy Taylor, Legislative Representative of the AFL–CIO, maintained that recent changes in the process undermine congressional committees' authority and responsibility. She urged the task force to consider major restructuring of the process, not simply marginal changes, and recommended the task force give serious consideration to proposals introduced by Representative Obey and by Representative Dingell. Robert Greenstein, Director of the Center on Budget and Policy Priorities, focused on the need to modify impoundment control procedures. James Clifton, Director of Federal Budget Policy for the U.S. Chamber of Commerce, suggested the process was in need of a "major tune-up, less than a major overhaul but more than fine-tuning." He recommended a single binding budget resolution with reconciliation, a credit budget with controls, multiyear numbers in the resolution and in reconciliation, changes in the impoundment process and a Presidential line-item veto of appropriation bills. Elmer Staats, Chairman of the Subcommittee on Budget Concepts and Processes of the Committee for Economic Development and former Comptroller General of the United States, argued for preserving the basic features of the Act, ratifying recent changes and adopting new procedures, including returning off-budget agencies to the budget, formally requiring agreement on common economic assumptions, making out-year numbers in the resolution binding, and enacting a permanent continuing appropriation.

The Honorable Brock Adams, formerly Chairman of the House Budget Committee, urged the task force to preserve and strengthen the process. He recommended the task force consider a biennial budget cycle and other changes in the schedule. He also said there should be more consultation and advance notification of budget actions, promoting fairness in the budget process. Charles Leppert, Jr. and Arthur House, Co-Chairmen of the Fiscal and Monetary Policy Committee of the National Association of Manufacturers, ex-

pressed support for the process but offered several recommendations for change including a single binding budget resolution with reconciliation, common economic assumptions, a binding credit budget, a biennial budget cycle, and various procedures leading to entitlement reform. John Ellwood, Associate Professor at Dartmouth College, and formerly Special Assistant to the Director of the Congressional Budget Office, contended that the problems facing Congress are political not procedural. He did advocate continued use of reconciliation and suggested that some changes in the timetable might be helpful although political forces play a large role here as well. Charles Knerr, Associate Professor at the University of Texas at Arlington, also maintained that dissatisfaction with the budget process arises from politics and substantive outcomes, not from procedural difficulties. He offered no specific recommendations for reform.

In January 1984, the task force circulated two draft proposals. The Rules Committee had printed a Committee Print of discussion drafts of a single binding resolution approach and of an omnibus or comprehensive budget bill approach. The single budget resolution approach called for the adoption of one budget resolution each year which would be binding immediately upon its adoption. It would accelerate the timetable, support the unified budget concept by placing on budget several Federal entities that are now off-budget or scheduled to be taken off-budget, strengthen controls on credit activities and tax expenditures, and establish a system of controls focused at the committee level. It incorporated many features of the current budget process. The comprehensive budget bill approach, based on Representative Obey's proposal to consider all budgetary legislation in one bill, represented a more far-reaching change. Under this approach, the Budget Committees would report a budget plan. The reported budget plan would be considered in a comprehensive budget bill along with all spending, credit and revenue measures. The comprehensive budget bill could not be adopted until the budget plan (including levels of total spending, total credit, total revenue and the deficit or surplus) is made consistent with levels of spending, credit and revenue provided in the bill.

On February 8 and 9, 1984, the task force held hearings on its draft proposed recommendations. The task force heard the testimony of Representatives Conte, Gradison, Mineta, and Obey and received statements for inclusion in the hearing record from Representatives Dellums, Dingell, Price, Rostenkowski and Snyder and Senators Domenici, Ford, and Mathias. The task force also heard from Harry Havens, the Assistant Comptroller General, Rudolph Penner, the Director of the Congressional Budget Office, Elmer Staats, Chairman of the Subcommittee on Budget Concepts and Processes of the Committee for Economic Development, Allen Schick, Professor, School of Public Affairs at the University of Maryland and the Honorable Richard Bolling, Co-Director of the Committee for a Responsible Federal Budget.

In his testimony before the task force, Representative Conte supported the single budget resolution approach, particularly the system of enforcement procedures aimed at committee allocations of discretionary budget authority, and he opposed the omnibus budget approach. Representative Gradison explained that the comprehensive approach had considerable appeal at first glance. On

second thought, however, he found the approach fatally flawed. He supported the single budget resolution approach, particularly the treatment of off-budget and credit programs. Representative Mineta endorsed the single budget resolution option, remarking on its resemblance to his own proposals for budget reform. His only reservations were that the proposal did not provide a separate capital budget nor did it exempt dedicated revenue or self-financed trust funds from enforcement procedures. Representative Obey argued against the single binding resolution approach because it retains the basic element of the current process which invites "escapist budgeting," namely, that decisions on an overall plan are separated from decisions on implementing legislation. He recommended "radical comprehensive reform" and explained his specific differences with the draft comprehensive budget bill approach.

Several Representatives and Senators who did not appear in person before the task force submitted their recommendations for inclusion in the hearing record. Representative Dellums wrote in his statement that he supported the omnibus approach in principle, although he noted that it might be difficult to implement. Representative Dingell's statement expressed disappointment with both the single budget resolution proposal and the comprehensive budget bill proposal. He said the single resolution approach would make the process too complex. He had more hope for an omnibus approach though not the version proposed by the task force. He also noted that "the single most important issue to the authorizing committees," House Budget Committee membership, had not been addressed. Representative Price commented on the single resolution approach. He was not convinced of the need for an accelerated timetable and argued that enforcement procedures should be directed at subcommittee [section 302(b)] levels not only at committee [section 302(a)] levels. He recommended that entitlement authority be defined in the Act and said that a budget reform bill was not the appropriate vehicle to change House rules to permit consideration of rescissions and transfers in appropriation bills. Representative Rostenkowski expressed some reservations about the single binding approach, in particular, the limitations on the use of the suspension calendar, the accelerated timetable and the inclusion of tax expenditures in a budget resolution. He expressed opposition to the comprehensive budget approach and concluded that a two-year budget cycle or a single resolution with an extended schedule would be more appropriate. Representative Snyder contended that self-financed trust funds should be accounted for separately, perhaps removed entirely from the unified budget.

In his statement submitted for the record, Senator Domenici expressed opposition to the comprehensive budget approach but supported many of the ideas in the single resolution approach. He expressed some reservations about the budget schedule, the inclusion of tax expenditures, the prohibition of reconciliation of authorizations, the definition of baseline, and the budget resolution update procedure. He also expressed the need for more outlay scorekeeping. Senator Ford said that a biennial budget cycle is necessary and he urged the task force to give it serious consideration. Senator Mathias feared that neither proposal would provide sufficient time for the deliberation due the federal budget.

Mr. Harry Havens, Assistant Comptroller General, testified that he supported the reforms of congressional procedures proposed by the task force. He urged that the reforms be seen as only part of a broader, long-term strategy for building a more efficient financial management structure for the federal government. Elmer Staats, Chairman of the Subcommittee on Budget Concepts and Processes of the Committee for Economic Development, supported the single resolution approach but expressed some reservations. He observed a tension between increasing the comprehensiveness of the process and accelerating the timetable. He opposed the inclusion of tax expenditures, the prohibition of reconciliation of authorizations and the budget update procedure. Allen Schick, Professor at the University of Maryland, argued against the comprehensive approach and spoke in favor of the basic themes of the draft single binding approach. He offered specific suggestions on the provisions of the single binding approach. The Honorable Richard Bolling, a Co-Director of the Committee for a Responsible Federal Budget, expressed general objections to the omnibus approach and stated specific reservations about the single budget approach. Mr. Bolling, formerly Chairman of the House Rules Committee, also presented his own views about the history of the budget process, the omnibus approach, the selection of Budget Committee members and the line-item veto.

On March 14, 1984 the task force agreed, by voice vote, to submit its recommendations on budget process reform for the consideration of the Rules Committee. On March 27, 1984, Representative Beilenson introduced H.R. 5247 which embodied those recommendations for a single budget resolution approach. H.R. 5247 was referred jointly to the Rules Committee and the Committee on Government Operations. On May 18, 1984, Representative Beilenson transmitted to Chairman Pepper the report of the Rules Committee Task Force on the Budget Process. The report was printed as a Committee Print in the Committee on Rules.

COMMITTEE ACTION

Hearings.—On May 23, 1984 the Rules Committee held a hearing on H.R. 5247. The following members presented testimony to the Committee: Representatives Beilenson, Bonior, Brooks, Fascell, Frenzel, James Jones, Mineta, Panetta, Penny, and Regula. The following members submitted testimony for the record: Representatives de la Garza, Dingell, Fuqua, Horton, and Mitchell.

In testimony before the Rules Committee, Representative Beilenson explained the Task Force's recommendations, providing a general overview of the issues addressed and a description of the budget process as it would operate under H.R. 5247. In addition, he discussed an amendment concerning House Budget Committee membership. Representative Bonior expressed his support for H.R. 5247. He specifically addressed the provisions of H.R. 5247 dealing with tax expenditures, saying that these are necessary for honest, straightforward and effective budgeting. Representative Brooks testified that the provisions of H.R. 5247 accelerating the timetable and improving coordination and cooperation among the committees would make the budget process more responsive and efficient. He

assured the Committee that the measure would be considered by the Committee on Government Operations. Representative Fascell recommended requiring two-year authorizations, amending Rule XXI to require authorization action before consideration of continuing resolutions, and consolidating primary jurisdiction over budget functions under the appropriate standing committees. Representative Frenzel said the Budget Act has not controlled spending and H.R. 5247 does not go far enough in overhauling the Act. He contended that the timetable under H.R. 5247 is too optimistic, that controls on tax expenditures are inappropriate and that controls are needed on outlays.

Representative James Jones testified that H.R. 5247 is a positive starting point for budget process reform, but he opposed certain elements in the bill. Specifically, he opposed the safeguards on the use of the elastic clauses, the inclusion of tax expenditures, the change in method of selecting the Director of CBO, the elimination of the May 15 reporting deadline for authorizations, the Member User Group, and the amendment proposed by Representative Beilenson concerning Budget Committee membership. Representative Mineta offered his support for H.R. 5247. He said that dedicated revenue and self-financed trust funds deserve special treatment and are not addressed in the bill; however, in other respects H.R. 5247 is an excellent bill. Representative Penny supported H.R. 5247 as a first step in improving the budget process. He also expressed the hope that this would eventually lead to a process along the lines of the omnibus approach introduced by Representative Obey. Representative Regula commended the intent and many of the provisions of H.R. 5247. He said that the treatment of tax expenditures and the lack of subcommittee controls are problems.

In testimony submitted for the record, Representative de la Garza opposed the accelerated schedule, the inclusion of off-budget activities, the enforcement procedures applied to credit activity, and the limitations on the use of the suspension calendar. Representative Dingell expressed his disappointment that the task force had not worked further on the omnibus budget proposal and had not addressed the issue of Budget Committee membership. He also proposed that the Rules Committee consider House Resolution 65 immediately. Representative Fuqua opposed the accelerated timetable and proposed further action on House Resolution 65. Representative Horton supported the accelerated timetable and the inclusion of off-budget entities. He reiterated his concern as to the manner in which savings from improved management are carried in the budget and associated himself with the additional views in the task force report. Representative Mitchell expressed concern that the accelerated schedule would not provide sufficient time for authorizing committees to act and that the application of new controls on credit activity and tax expenditures would not be coordinated with authorizing committees. He was concerned that this would not be good for the small business community.

In addition, the Committee for a Responsible Federal Budget (CRFB) wrote to the Committee. While CRFB supports the basic thrust of H.R. 5247, CRFB had serious reservations with several aspects of the bill. CRFB recommended *adding* controls on outlays and controls at the subcommittee level and *striking* controls on tax

expenditures, the safeguards on the use of the elastic clauses, the prohibition against reconciliation of authorizations, and the limitation on the use of the suspension calendar.

Mark-up.—On June 27, 1984 the Committee on Rules marked up H.R. 5247. During the mark-up, the Committee deleted the prohibition against reconciling authorizations and the limitation on the use of the suspension calendar. The Committee also adopted three amendments to highlight outlay scorekeeping. These amendments are intended to ensure that when spending bills are considered, information will be readily available to compare the estimated outlays expected to result from the bill with the outlay targets set in the budget resolution (and with divisions of outlays by Appropriation subcommittee, in the case of appropriation bills). It was determined that when the bill is considered by the House under a modified closed rule, an amendment to add procedural controls on Appropriations subcommittees and several amendments to strike tax expenditure controls would be appropriate.

The Committee adopted thirteen amendments explained below.

EXPLANATION OF AMENDMENTS ADOPTED IN COMMITTEE

Amendment (1). The purpose of this amendment is to ensure that due consideration is given to new procedures introduced in a budget resolution which affect the Rules of the House of Representatives, even if the new procedures are not introduced under the authority of the "elastic clause". The elastic clause permits any other matter or procedure considered appropriate to carry out the purposes of the Act to be included in a budget resolution. H.R. 5247, as introduced, retains an elastic clause. H.R. 5247, as introduced, also provides certain safeguards on the use of the elastic clause to introduce new procedures which affect the rules of the House. Amendment (1) extends the safeguards to cover any new procedures introduced in a budget resolution which affect the rules of the House, whether or not the procedure is introduced under the authority of the elastic clause.

Amendment (2). This amendment requires the Budget Committees to comment, in the report accompanying the budget resolution, on differences between the resolution and the views and estimates required of other standing committees.

Amendment (3). This amendment requires each Budget Committee to consult with the standing committees of its House. Budget Committees are the only committees empowered to report legislation making overall budget policy. Such policy obviously affects matters within the jurisdiction of most other standing committees. It is therefore necessary that the Budget Committees consult with such other committees during the preparation, consideration and enforcement of the budget resolution.

Amendment (4). The purpose of this amendment is to ensure that a committee's allocation for new spending, credit or revenue measures extends for a period appropriate to the assumed length of the programs covered by that committee's allocation. H.R. 5247, as introduced, requires that allocations for discretionary action on spending, credit or revenue be made to the committees of each House. The allocations will be based on the totals in the budget res-

olution. These allocations will be made for purposes of control. If a committee's reported legislation would cause its allocation to be breached, the legislation would be subject to a point of order. A control allocation may cover a period of one fiscal year, a period of two fiscal years or a period of three fiscal years. The amendment provides that allocations shall not cover a period longer than the assumed duration of the relevant programs.

Amendment (5). This amendment requires, for purposes of information, that the Budget Committees divide estimated budget outlays and other amounts among all the committees with jurisdiction. The divisions will be based on the totals in the budget resolution. The amendment also requires each committee to subdivide its allocation and provides a sanction against any committee that fails to report its subdivision to the House.

Amendment (6). This amendment is technical. It makes several changes correcting punctuation in H.R. 5247 as introduced.

Amendment (7). This amendment requires the Budget Committees to report summary scorekeeping information based on monthly reports provided by the Congressional Budget Office. The reports will emphasize estimates of outlays and certain comparisons. Section 308 of the Congressional Budget Act requires CBO to make scorekeeping reports "from time to time." As introduced, H.R. 5247 changes section 308 to require CBO scorekeeping reports at least monthly. Amendment (7) is intended to highlight estimates of outlays in the CBO reports and to compare spending and revenue levels provided in legislation with levels requested by the President and with levels provided by law for the previous fiscal year. This amendment also requires the Budget Committees to make summary scorekeeping reports frequently enough to provide an accurate, up-to-date representation of the current status of congressional budget action. In the House, the summary reports will be printed as official documents.

Amendment (8). This amendment strengthens the reconciliation process by stating that reconciliation directives *shall* be included in a budget resolution to the extent necessary to effectuate the provisions of the resolution. Under H.R. 5247, as introduced, the resolution *may*, to the extent necessary, include reconciliation directives.

Amendment (9). This amendment provides that reconciliation directives must also include an estimate of budget outlays expected to result from the changes directed.

Amendment (10). This amendment strikes the prohibition against reconciliation directives to change authorization levels. The prohibition in H.R. 5247 as introduced was intended to ensure that the reconciliation process is used only to change existing law affecting budget levels. While the Committee on Rules is convinced of the need to strike the prohibition against directives to change authorization levels, the Committee continues to oppose the use of reconciliation to make changes in levels of authorizations for discretionary appropriations. That is, the Committee opposes the use of reconciliation to make policy changes that have no direct budget impact. In the case of certain programs, changing authorization levels in existing law may be the most effective way to change spending levels. In those cases, the Committee supports the use of reconciliation to direct such changes when appropriate. The Com-

mittee strongly urges, however, as a matter of general policy, that reconciliation be limited to changes that directly affect levels of revenue or spending other than discretionary appropriations. Roughly three-fourths of the outlays in any given year (including permanent appropriations, mandatory appropriations, and prior-year commitments) result from existing law and most of the revenue in any given fiscal year is collected pursuant to existing law. Even if Congress passed no legislation during a session, that money would be spent and that revenue collected. Reconciliation is the best tool available to direct the committees of jurisdiction to review and to report changes in existing law affecting such spending and revenue.

Amendment (11). This amendment adds to the scope of the General Accounting Office study required by H.R. 5247 as introduced. The Congressional Budget Act of 1974 requires the Appropriations Committees to study and report their recommendations, from time to time, on provisions of law making permanent appropriations. H.R. 5247, as introduced, drops this requirement. Instead, H.R. 5247, as introduced, requires that the General Accounting Office study and report its recommendations on provisions of law which provide spending authority. Under this amendment, GAO must also study and make recommendations on provisions of law which make permanent appropriations.

Amendment (12). This amendment changes the number and composition of majority party membership on the House Budget Committee by amending clause (1)(e)(1) of rule X of the Rules of the House of Representatives. Clause (1)(e)(1) currently states that the House Budget Committee is to consist of thirty members, including one member from the leadership of the majority party, one member from the leadership of the minority party, five members from the Committee on Appropriations and five members from the Committee on Ways and Means. By unanimous consent, House Budget Committee membership during the 98th Congress was increased to thirty-one. This amendment states that one member from the leadership of the majority party and one member from the leadership of the minority party will serve on the Budget Committee. Also, from the majority party, three members from the Committee on Appropriations, three members from the Committee on Ways and Means, two members from the Committee on Rules and eight members from other standing committees will serve. The number of other members from the minority party will depend on the appropriate ratio for the committee. The Rules Committee discussed other changes, including the manner by which majority party members are selected to serve on the House Budget Committee, but it was agreed that the Democratic Caucus was the appropriate forum in which to consider such changes.

Amendment (13). This amendment strikes the limitations on the use of the suspension calendar. Under H.R. 5247, as introduced, it would not be in order to consider under suspension of the Rules of the House of Representatives any spending, credit or revenue measure in excess of $10,000,000 nor would it be in order to consider under suspension any measure providing new spending authority as defined in section 401(c) of the Congressional Budget Act of 1974 (with certain exceptions). This amendment deletes both points

of order. The current Rules of the House and Democratic Caucus guidelines governing use of the suspension calendar would remain in effect under H.R. 5247 as reported.

Principal Purposes of the Bill

SINGLE BINDING BUDGET RESOLUTION

SUMMARY

H.R. 5247 requires that Congress adopt one comprehensive budget resolution each year. H.R. 5247 also provides that enforcement procedures are in effect immediately upon adoption of the resolution.

Specifically, H.R. 5247 provides that:

—Congress shall adopt a budget resolution by April 15 each year;

—If necessary, Congress may adopt a revised resolution any time after the required resolution is adopted and before the end of the fiscal year to which the resolution applies;

—The budget resolution shall contain the five aggregates currently required by the Congressional Budget Act of 1974: appropriate levels of total new budget authority, total budget outlays, total revenue, the deficit or surplus, and the public debt. In addition, H.R. 5247 requires that aggregate levels of entitlement authority and credit activity (direct loan obligations and primary loan guarantee commitments) and divisions of those amounts by function shall be included, that the resolution shall specify the amount by which the level of tax expenditures should be increased or decreased, that the levels set in the resolution shall reflect the budgetary activities of all federal entities including currently off-budget federal entities, and that budgetary levels for planning purposes shall be included for all the matters listed above for each of two years following the budget year. The resolution shall contain reconciliation directives when necessary and such other matters and procedures as are appropriate; and

—Procedures shall be in effect immediately upon adoption of the budget resolution to ensure that subsequent Congressional budgetary action does not cause the levels set in the resolution to be breached.

EXPLANATION

One Binding Budget Resolution

The Committee recommends adopting one binding budget resolution in the spring and abandoning the requirement for a second resolution. H.R. 5247 retains the provision of the Congressional Budget Act of 1974 which permits Congress to adopt a revised budget resolution.

The Congressional Budget Act of 1974 establishes a schedule for budget action. The starting point is a first budget resolution which embodies an overall congressional plan for spending and revenue action. Then Congress adopts spending and tax legislation. Next, a second budget resolution is adopted just before the start of the new fiscal year. In the second resolution, Congress revises or reaffirms

the budget levels set in the first resolution. The Act establishes enforcement procedures which are intended to ensure that congressional action on spending and revenue legislation subsequent to the second budget resolution will not cause the levels of total spending or total revenue set in the second resolution to be breached. The Act also provides for reconciliation in conjunction with the second budget resolution. Through the reconciliation process, existing law and pending legislation can be adjusted to conform with the budget levels set in the second resolution.

Experience with the budget process, however, has taught that difficult decisions are best made early in the year. In the month before the start of the fiscal year, when the Act requires Congress to adopt the second resolution, Congress cannot easily reorder the priorities it adopted nor revamp the fiscal policy it set in the first budget resolution. The recent history of second resolutions shows Congress has recognized that this requirement is impractical. In 1981, when Congress adopted S. Con. Res. 50, the second budget resolution for fiscal year 1982, it simply reaffirmed the first resolution for that fiscal year. Since then, Congress has not formally adopted a second resolution. Beginning with S. Con. Res. 92, the first budget resolution for fiscal year 1983, Congress has included in the first budget resolution a provision that the first resolution shall be considered the second resolution for purposes of the budget enforcement procedures in the Act if a second resolution is not adopted by the start of the new fiscal year. No second budget resolution was adopted for fiscal year 1983 or fiscal year 1984.

Support for requiring only one budget resolution each year was expressed by almost all of the Members testifying before the Rules Committee Task Force on the Budget Process and before the full committee. The Congressional Budget Office, the Committee for Economic Development and the Committee for a Responsible Federal Budget also support the idea of only one required resolution each year.

Under the Act, the first resolution sets targets. The second resolution sets binding limits. Of course, most spending legislation should be enacted prior to the adoption of the second budget resolution in mid-September. The Act requires that Congress complete action on spending legislation (except continuing resolutions, supplementals and deficiencies) by the seventh day after Labor Day. Recognizing that spending legislation would be considered before the second resolution is adopted, the framers of the Act permit a process (deferred enrollment) by which all or certain spending bills may be delayed after Congress has adopted them but before they are sent to the President for signature and enactment. The Act also provides a procedure (reconciliation) by which legislation pending at the time the second resolution is considered, including bills delayed during enrollment, may be changed to reflect the levels set in the second resolution. In this way, spending limits could be enforced even on bills considered before the binding limits were set.

It has proven extremely difficult, however, for Congress to adopt a second resolution or to conform to the budget resolution any budget legislation passed by both Houses but not yet enrolled and sent to the President for signature. Current practice, making the levels set in a first resolution binding if a second resolution is not

adopted by October 1, avoids the necessity to act on a second resolution. It does not, however, address the problem of conforming budget legislation considered in the summer to budget levels which become binding on October 1.

In view of these demonstrated problems, the Committee proposes that there be only one budget resolution and that enforcement procedures, discussed below under "Strengthened Controls", take effect immediately upon its adoption.

While the Committee believes that an overall budget plan must be adopted early in each session and that those budget decisions must be enforced, the Committee also recognizes that economic or other relevant conditions may change significantly in the eighteen months between the time the resolution is adopted and the end of the fiscal year. To provide the flexibility necessary to respond to such changes, H.R. 5247 retains section 304 of the Congressional Budget Act of 1974. This section permits Congress to adopt a revised resolution any time after the required resolution has been adopted and before the end of the fiscal year to which it applies.

Content of the Resolution

The Committee believes that the budget resolution should continue to include the five aggregates required by the Congressional Budget Act of 1974 for the upcoming fiscal year: appropriate levels of total new budget authority, total outlays, total revenue, the surplus or deficit and the public debt. In addition, the Committee strongly advocates a comprehensive budget process and therefore recommends several additional matters be included that are not required in the Congressional Budget Act of 1974.

The additional matters required by H.R. 5247 are: the appropriate levels of total direct loan obligations, total primary loan guarantee commitments and total entitlement authority and a division of these totals by major functional category; and the recommended amount of increase or decrease in tax expenditures. H.R. 5247 requires budget levels for planning purposes for each of the matters listed above for each of the two fiscal years following the upcoming fiscal year. H.R. 5247 also changes the way the public debt is treated in the budget resolution.

Credit Activity.—While not required by the Act, aggregate levels of credit activity (direct loan obligations and primary loan guarantee commitments) have been included in budget resolutions since 1980 (H. Con. Res. 307, the first resolution for fiscal year 1981). Divisions of the credit totals by major functional category have been included since 1981 (H. Con. Res. 115, first resolution for fiscal year 1982). In this respect, H.R. 5247 requires what is already done in current practice. Procedures to enforce the levels of credit activity set in the resolution, however, are not a part of current practice. H.R. 5247 provides such procedures, which are discussed below in "Expanded Coverage" and "Strengthened Controls".

Entitlement Authority.—The Committee believes it is important to focus more attention on and provide greater control over entitlement spending. H.R. 5247 requires, for the first time, that the budget resolution include an appropriate level of total entitlement authority and a breakdown of that total by major functional category. This is not required by the Congressional Budget Act of 1974

nor is it included in current practice. The level of total entitlement authority in the budget resolution will provide the basis for allocating to the committees of jurisdiction amounts for changes (increases or reductions) in entitlement legislation. This allocation process, including procedures to ensure that congressional action does not cause the allocation amounts to be exceeded, are discussed below in "Strengthened Controls".

Entitlements are laws requiring payment of benefits to any person or government who meets specific eligibility requirements established by such law. In other words, entitlements create legal obligations for the federal government to make payments. If the payments are not made, the people or governments who are eligible according to the entitlement law would have legal recourse. Entitlement authority is the estimated amount to be spent to fulfill such obligations. The list below shows the twenty largest entitlement programs and their expected cost in fiscal year 1985:

Entitlements and projected outlays, fiscal year 1985

[In billions of dollars]

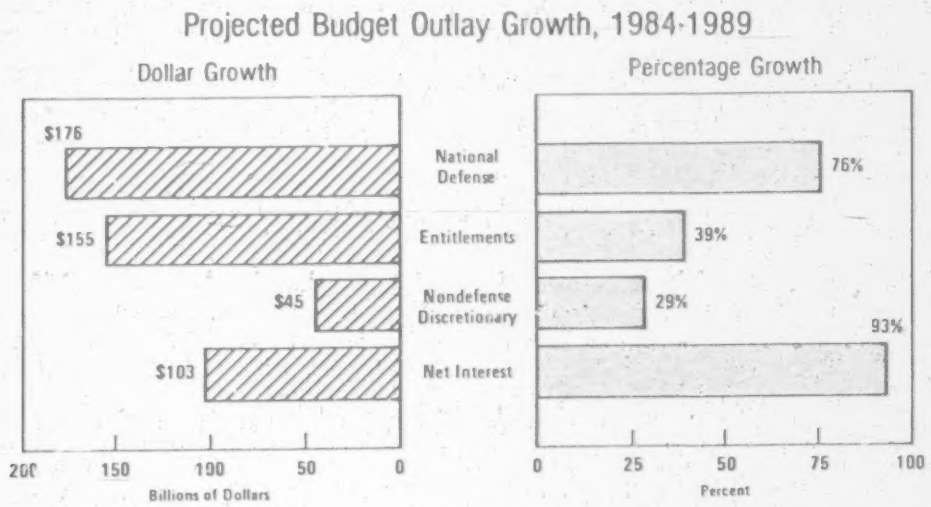
Interest Payments on the Debt	185.6
Social Security-Old Age Survivors	168.1
Medicare (two trust fund entitlements)	70.2
Grants to States for Medicaid	22.9
Civil Service Retirement and Disability	22.9
Social Security Disability	19.0
Unemployment Compensation	17.6
Military Retirement	15.7
CCC Price Support and Related Programs	12.4
Veterans Compensation	10.3
Supplemental Security Income	9.3
Aid to Families with Dependent Children	7.9
Railroad Retirement	5.5
Revenue Sharing	4.6
Veterans Pensions	3.9
Child Nutrition Programs	3.7
Guaranteed Student Loans	3.6
Social Services Block Grant	2.8
Railroad Pensions	2.3

Entitlement programs have been enacted in order to provide security and a measure of financial certainty to the recipients, most of whom are elderly, retired, sick, or veterans. Retirement programs, for example, are intended to allow people to plan their lives with the reasonable expectation that when they become eligible, they can depend upon the benefits. Other entitlements were also intended to provide security for recipients. State and local governments make commitments—employ staff, construct buildings, contract for services—based on the expectation that grants will be forthcoming; these governments would not be able to plan for and administer essential programs without the degree of financial certainty provided by entitlements.

From a budget perspective, however, entitlements raise two problems. First, their cost is largely "uncontrollable" in any given year. Existing entitlements diminish immediate legislative control over the federal budget because the United States is already obligated to make payments even before the current Congress makes any budget decisions. Most entitlement authority is permanently appropriated; funds may be spent without budget authority being provid-

ed in advance by an appropriation act. Thus, when Congress enacts such entitlements, it relinquishes the control it ordinarily exercises through the appropriations process. Some entitlements do require that budget authority be provided in advance by an appropriation act. These are called appropriated entitlements. Less than 13% of total outlays expected to result from entitlements in fiscal year 1985 are expected to result from appropriated entitlements. Using the Congressional Budget Office baseline projections (August 1984), the outlay estimate from appropriated entitlements in fiscal year 1985 is $72.5 billion; the outlay estimate from all entitlements in fiscal year 1985 is $575.3 billion. It should be noted that appropriated entitlements are only nominally under control of the appropriations process. The entitlement legislation creates an obligation to make payments so that even if sufficient budget authority is not provided in advance by an appropriation act, the people or governments eligible according to the law would have legal recourse for the benefits.

A large and growing portion of the federal budget is devoted to entitlements. In fiscal year 1970, entitlements (including interest payments) accounted for approximately 40% of total outlays. In fiscal year 1984, entitlements (including interest payments) accounted for approximately 53% of total outlays. In 1970, entitlements were 8.5% of GNP; in 1983, they were 15.2% of GNP. The growth in entitlements is projected to continue, though it is not the only part of the budget expected to grow significantly. The graph below shows the Congressional Budget Office projections for dollar and percentage increases in outlays from fiscal year 1984 through fiscal year 1989. "Entitlements" in this chart do not include interest payments:



Congressional Budget Office, *The Economic and Budget Outlook: An Update* (August 1984).

Because entitlement programs are such a significant and growing portion of the federal budget and because it is difficult to control the costs of these programs, the Committee believes that the amount of total entitlement authority should be a separate total in the budget resolution. It is true that only part of the growth of entitlements can be attributed to legislative action. Demographic changes, particularly the increasing proportion of the total population that is over 65, have increased the number of eligible recipients and heightened the need for health care, income security and retirement benefits. Participation rates (the percentage of eligible recipients who apply for benefits) have also increased. Inflation and indexed costs also account for a portion of the growth. By focusing attention on this portion of the federal budget, however, the cost of providing entitlement benefits cannot go unnoticed even though Congress does not have to act on entitlement programs each year.

Tax Expenditures.—Tax expenditures are the revenues lost through special provisions of the tax code designed to benefit select groups of taxpayers or to encourage certain economic activities. They have grown more rapidly than federal spending, both in absolute terms and relative to GNP. In absolute terms the sum total of tax expenditures grew more than 600% from fiscal years 1968 to 1983, from $36.6 billion to $290.3 billion. Total outlays increased 354% in the period, from $178.1 to $808.3 billion. Relative to GNP, tax expenditures grew from 4.4% of GNP to 9.0%; outlays increased from 21% to 25%.

Given this rate of growth, the Committee believes that more attention should be paid to this large and growing part of the federal budget. H.R. 5247 requires the budget resolution to focus attention on incremental changes in the level of tax expenditures. This is neither required by the Act nor done in current practice. The new provisions in H.R. 5247 concerning tax expenditures are more fully discussed below in the sections "Expanded Coverage" and "Strengthened Controls".

Outyear Budget Levels For Planning Purposes.—The Committee is convinced that Congress must consider the effect of current policies on the budgetary situation in the years after the coming fiscal year in order to make responsible and intelligent decisions about the Federal budget. H.R. 5247 requires that the budget resolution include budget levels for planning purposes for each of the two fiscal years following the upcoming fiscal year for new budget authority, outlays, entitlement authority, direct loan obligations and primary loan guarantees. H.R. 5247 also requires budget levels for planning purposes for revenue.

This conforms with current practice. While not required by the Act, outyear budget levels first appeared in budget resolutions in 1979. Section 3(a) of H. Con. Res. 107, the first budget resolution for fiscal year 1980, stated: "In order to achieve a balanced budget in fiscal year 1981 and fiscal year 1982, the following aggregate budget levels recommended by the Senate are appropriate for fiscal years 1981 and 1982."

Section 3(b) of that budget resolution stated: "The House projects the following budget aggregates for fiscal years 1981 and 1982 based on the policies assumed in section 2 above."

In H. Con. Res. 307, the first budget resolution for fiscal year 1981, and H. Con. Res. 448, the second budget resolution for fiscal year 1981, the House and Senate again each included their own separate budget levels for the outyears, fiscal years 1982 and 1983. In section 204 of H. Con. Res. 115, the first budget resolution for fiscal year 1982, the House and Senate agreed on outyear budget levels, introducing them with the phrase, "the Congress sets forth the following budgeting levels for fiscal years 1983 and 1984." Budget levels for each of two years beyond the budget year have been included in the budget resolutions adopted since then.

In the first budget resolution for 1980, the Senate recommended appropriate levels based on the goal of a balanced budget. The House provided, instead, projections based on the policies recommended for the upcoming fiscal year. The outyear budget levels that now appear in budget resolutions reflect both projections of current policy for certain parts of the budget and planned changes to current policy where legislative initiatives are anticipated. This has proven useful and the Committee recommends its continuation.

The Public Debt.—The Act requires a budget resolution to set forth both an appropriate level of the public debt and a recommended amount by which the statutory limit on the public debt should be increased or decreased by bills and resolutions to be reported by the appropriate committees. H.R. 5247 requires a budget resolution to set forth only an appropriate level of the public debt. This conforms with recent procedural changes in the way Congress considers legislation increasing or decreasing the statutory limit on the debt. Between 1969 and 1983, the public debt limit consisted of a permanent debt limit set forth in section 3101(b) of title 31, United States Code, and temporary increases in that limit. Each temporary increase had an expiration date and unless another temporary increase was enacted before the expiration date, the debt limit would revert to the permanent limit. To change the debt limit, a bill temporarily increasing the debt limit would be considered and adopted by Congress under the normal procedures.

In 1979, the House adopted (pursuant to the provisions of P.L. 96-78) House rule XLIX which instituted a new procedure for considering legislation to increase or decrease the statutory limit on the debt. House rule XLIX, as amended in the 98th Congress by H. Res. 241, directs that if Congress adopts a budget resolution which sets the appropriate level of the public debt at an amount different from the current statutory limit on the debt, then a joint resolution amending the statutory limit on the debt is deemed to have passed the House. That joint resolution is then transmitted to the Senate for further legislative action. If the concurrent resolution sets an appropriate level of the public debt for the upcoming fiscal year and a different level for the current fiscal year, one joint resolution would be triggered. The joint resolution would change the permanent debt limit such that the amount recommended in the budget resolution for the current fiscal year would be the limit from enactment of the joint resolution until the end of the current fiscal year, and the amount recommended in the budget resolution as the approprite level of the public debt for the upcoming fiscal year would be the statutory limit on the debt until section 3101(b) of title 31 is further amended.

38-708 O - 84 - 3

House rule XLIX also requires the report accompanying a budget resolution and the joint statement accompanying a conference report on the budget resolution to include a clear statement of the effect of adoption of the budget resolution on the statutory limit on the debt. It is not in order in the House of Representatives to consider or adopt a budget resolution if the report or explanatory statement does not include the statement on the effect of rule XLIX.

Given the new procedure and the statement required in the report on a budget resolution, it is no longer necessary for the budget resolution to include the recommended amount by which the statutory limit should be changed in bills and resolutions reported from the appropriate committees.

A Macroeconomic Focus

It is clear from the legislative history of the Act that budget resolutions are intended to engender debate on macroeconomic policy and broad issues of priorities, not on program details. Representative Richard Bolling, floor manager of the Congressional Budget Act of 1974 during consideration in the House, explained that the budget resolution "does not get into particular programs, agencies, appropriations or projects. To do so would destroy the utility of the congressional budget process as an instrument for making national economic policy."

To devise and interpret the aggregate and functional totals in a budget resolution, however, one must make program and policy assumptions. This invites debate on the program and policy issues during consideration of the budget resolution. Members offer amendments to ensure that the aggregate and functional totals make room for specific levels of funding for particular programs or agencies. In the first years after the Act, the number of amendments offered in each House grew rapidly. In the Senate, five amendments were offered to the first budget resolution for fiscal year 1976 but forty-five amendments were offered to the first budget resolution for fiscal year 1981.

In the House, Members have complained that numerous specific amendments make the budget process duplicative of the authorization and appropriations processes and turn the debate on a budget resolution away from more appropriate matters. Beginning in 1980, the House has adopted modified closed rules for consideration of the budget resolution. These rules have tended to restrict debate to the major alternatives.

The table below shows the number of substantive amendments, offered in the House, to budget resolutions. It includes amendments approved, rejected, tabled or withdrawn. It does not include amendment ruled not germane nor does it include technical or conforming amendments (including amendments, in order pursuant to section 305(a)(5) of the Act, to change figures to achieve mathematical consistency). The table also shows rules adopted by the House that restricted floor amendments on budget resolutions.

Fiscal year and budget resolution	Number of amendments offered	House rule restricting amendments
1976, 1st	6	
1976, 2d	5	
1977, 1st	16	
1977, 2d	3	
1977, 3d	2	
1978, 1st (rejected)	16	
1978, 1st	8	
1978, 2d	6	
1979, 1st	26	
1979, 2d	9	
1980, 1st	50	
1980, 2d (rejected)	12	
1980, 2d	2	
1981, 1st	11	H. Res. 642 made in order 11 amendments, of which 3 were substitutes made in order to other amendments.
1981, 2d	2	H. Res. 810 made in order Budget Committee amendments and amendments by, and if offered by, the ranking minority member of the Budget Committee. No amendments were subject to amendment.
1982, 1st	4	H. Res. 134 made in order 3 amendments in the nature of a substitute and 1 amendment limited to function 050, national defense.
1982, 2d	0	H. Res. 295 prohibited amendments.
1983, 1st (rejected)	42	H. Res. 477 made in order 4 amendments in the nature of a substitute, each subject to 68 amendments, 2 other substitutes not subject to amendments, and a 7th substitute subject to amendments by its author.
1983, 1st	2	H. Res. 496 made in order 2 amendments in the nature of a substitute, not subject to amendment.
1983, 2d	(1)	
1984, 1st	0	H. Res. 144 made in order 1 amendment by, and if offered by, the ranking minority member of the Budget Committee and that amendment was not subject to amendment.
1984, 2d	(1)	
1985, 1st	7	H. Res. 476 made in order 8 amendments in the nature of substitutes.

[1] No action was taken on a 2d budget resolution. The 1st budget resolution provided it would be considered the 2d resolution for purposes of the enforcement procedures in the Act, if Congress did not complete action on the 2d budget resolution before the start of the fiscal year.

The Committee, while recognizing that it cannot bind House Rules Committees of future Congresses, reaffirms its commitment to avoid line-item debate on the budget resolution and to limit duplication between the budget process and other Congressional processes. The Committee believes that rules for the consideration of budget resolutions should continue to focus debate on the major alternatives. H.R. 5247 places greater emphasis on committee allocations and this may tempt some members to focus on narrower issues than the budget resolution is intended to settle, but there are ample opportunities to resolve matters of program detail and policy during the authorization and the appropriations processes. The budget resolution establishes the overall context for those discussions. Consideration of the budget resolution is the one formal opportunity for congressional debate on fiscal policy and broad budget priorities and the debate should be directed to those matters.

ACCELERATED TIMETABLE

SUMMARY

H.R. 5247 revises the timetable set by the Congressional Budget Act of 1974 in order to coordinate the authorization, budget and appropriations processes and to provide more time for Congress to complete action on budget measures prior to the start of the fiscal year.

Specifically, H.R. 5247 provides that—

—The President shall submit his budget by the first Monday after January 3 and the text of legislation necessary to implement entitlement and revenue proposals within fifteen days afterwards;

—The House shall elect its committees by the seventh day after the commencement of a new Congress;

—The Congressional Budget Office shall submit a report listing expiring authorizations by the first Monday after January 3 and an annual report including budget baseline projections by February 15;

—Standing committees shall submit their views and estimates on budget matters within their jurisdictions by February 25;

—Congress shall adopt its budget resolution by April 15;

—The House Appropriations Committee shall report all regular appropriations bills for the upcoming fiscal year by June 10;

—The House shall complete consideration of all regular appropriation measures and any reconciliation legislation before consideration of a resolution to adjourn for the Independence Day District Work Period is in order; and

—The Senate shall complete consideration of all regular appropriation measures and any reconciliation legislation by August 15.

EXPLANATION

Authorization, Budget and Appropriations Processes: Priorities in Scheduling Legislation

In 1974, Congress instituted a budget process without discarding or altering the long-standing authorization and appropriations processes. The distinctions among these three processes are clear in theory: authorizations are instruments for making policy decisions and enabling agencies to undertake specified activities; appropriations finance the authorized activities; budget resolutions determine the overall boundaries by setting levels of total spending and revenue and by allocating these aggregates among major functional categories. These three processes are discussed in further detail below. In fact, however, the distinctions are not so clear that in the same year the same issue is not debated and 'decided' in each of the three processes. Members of Congress complain that the three processes have become so time-consuming and complex that other legislative responsibilities are slighted. The redundancy in the authorization, budget and appropriations processes creates delay and confusion.

The timetable established by the Congressional Budget Act adds to the delay and confusion. The Act effectively forces all three processes to compete for floor time in the period between May 15 and September 15. At the end of this period, general appropriation bills and the second budget resolution must compete for floor time. Section 309 of the Act requires that Congress complete action on all spending legislation by the seventh day after Labor Day (provided that authorizations of appropriations are timely enacted) and section 310(b) requires that Congress complete action on the second budget resolution by September 15.

At the beginning of the May 15 to September 15 period, authorizations of appropriations must compete with general appropriation bills. House and Senate committees are required by section 402(a) of the Act to report authorizations of appropriations for the upcoming fiscal year no later than May 15. Section 905(c) made this requirement effective beginning fiscal year 1977. The House Appropriation Committee, in their "Views and Estimates" for fiscal year 1977, noted that the Appropriation Committee schedule, designed to ensure that general appropriation bills are enacted by the beginning of the fiscal year, requires subcommittee markup to be completed by the first week in May; full committee markup to be completed before the first week in June and House consideration to begin in June. The House Appropriations Committee noted, "Obviously, if authorizing committees wait to report legislation until the deadline of May 15, it will have minimal or no impact on appropriations bill markups which must be concluded by May 7."

Indeed, the May 15 deadline has engendered a "term-paper mentality"; most legislative committees report authorizations of appropriations on or near that date. In each of the last three years, at least 50 bills authorizing the enactment of new budget authority were reported by House committees during the five legislative days ending on May 15. The cluster of authorizations on or near that date virtually ensures that not all authorizations can be considered, let alone enacted, in time for the House to begin consideration of appropriation bills in June.

The framers of the Act recognized that even if the May 15 reporting deadline was never violated, appropriation bills would probably be delayed. For this reason, they hoped that action on authorizations would take place a year in advance, as was noted in the joint explanatory statement accompanying the conference report on the Act:

> The managers call attention to section 607 which requires advance submission of proposed authorizing legislation, and to the expectation that Congress will develop a pattern of advance authorizations for programs now authorized on an annual or multiyear basis . . . Even a small delay in the completion of authorizing bills reported by May 15 will compel Congress to rely on continuing resolutions.

The Congressional Budget Act Amendments of 1984, H.R. 5247, rearranges the congressional timetable. The new arrangement recognizes that each of the three processes has a claim to a portion of the legislative agenda. H.R. 5247, in effect, encourages greater use

of the early months of the calendar and distributes the workload more evenly across the entire legislative year. The May 15 reporting deadline is dropped, as is the requirement for a second budget resolution in September.

The Committee recommends that in the winter and early spring, priority be given to scheduling legislation authorizing appropriations for the coming fiscal year. In early May, priority should be given to adoption of a budget resolution. In the late spring and summer, priority should be given to House passage of all general appropriation bills and any other legislation needed to implement the budget resolution adopted by Congress.

The Committee recognizes that changing statutory deadlines does not guarantee that the new deadlines will be met. Fiscal constraints and political conflicts can cause delays no matter how the process is designed. In recent years, severe political conflicts attendant upon the current fiscal crisis have caused extensive delays in adopting budget legislation. The Committee believes, however, that the current statutory schedule is flawed; as will be explained below in further detail, the current Budget Act timetable is part of the problem. H.R. 5247 overcomes the problems created by the Act and sets out a budget timetable which can work in years of ordinary political conflict.

Timetable for President's Budget and House Organization

The President's budget is the first step in the budget process. House and Senate legislative committees and Appropriations Committees use the President's budget as the basis for hearings and for views and estimates submitted to the Budget Committees. The Act requires the President to submit his budget fifteen days after Congress convenes. The twentieth amendment to the Constitution states that Congress shall convene on January 3 of each year unless by law Congress sets a different day. In every year since 1974, laws have been enacted appointing a later day for assembling; some sessions have begun as late as January 25.

When Congress convenes late in January, the President's budget is submitted in the first week in February and Congressional action on the budget begins even later. The President's budget for fiscal year 1983 was released on Monday, February 8, 1982. The President's budget for fiscal year 1984 was released on Monday, January 31, 1983. The President's budget for fiscal year 1985 was released on Monday, February 1, 1984.

Under H.R. 5247, the President would be required to submit his budget on the first Monday after January 3 regardless of the date Congress convenes. Whenever Congress does convene, it can begin its budget-related work immediately. In addition, H.R. 5247 contains a provision changing clause 6(a)(1) of House rule X to require election of House committees within seven days after the commencement date of the new Congress. This requirement will facilitate committee action earlier than is usually the case for a new Congress. With the President's budget submitted and congressional committees organized, committee staff and congressional support agencies can begin the analysis of the budget as much as a month earlier than in recent years. Congress can then make better use of

the early months of the calender to get a head start on authorizations of appropriations and the budget process.

Timetable for Authorization of Appropriations

There are two kinds of authorizations. Enabling authorizations create an agency, establish a program, prescribe a function or impose new functions on an existing agency. Authorizations of appropriations authorize the enactment of new budget authority to implement the enabling authorization in the expectation of a later appropriation act. Often, an authorization of appropriations is simply a clause (or clauses) in the enabling authorization, though it may be a separate measure. In either case, an authorization of appropriations does not actually provide money. It contemplates subsequent legislation appropriating funds. Decisions of the Comptroller General of the United States on this matter have been clear and unwavering:

> The mere authorization of an appropriation does not authorize expenditures on the faith thereof or the making of contracts obligating the money authorized to be appropriated. [16 Comp. Gen. 1007 (1938), see also 27 Comp. Dec. 923 (1921); 4 Comp. Gen. 219 (1924); 15 Comp. Gen. 802 (1936); 26 Comp. Gen. 452 (1947); 35 Comp. Gen. 306 (1955); 37 Comp. Gen. 732 (1958)]

There is no general requirement, either in the Constitution or in statutes, that an appropriation act be preceded by an authorization of appropriations. There are statutory requirements for authorizations of appropriations, however, in several specific instances. For example, section 1 of Public Law 88-45 states, "That after fiscal year 1964, funds may not be appropriated to or for the use of the Coast Guard for the construction of shore or offshore establishments, or for the procurement of vessels or aircraft, unless the appropriation of such funds has been authorized by legislation enacted after December 31, 1963." The Department of Energy Organization Act (P.L. 95-91), which established the Department of Energy and transferred to it the functions of the Energy Research and Development Administration and the Federal Energy Administration, provides in section 660, "Appropriations to carry out the provisions of this Act shall be subject to annual authorization."

However, while there is no general requirement in law for authorizations of appropriations to precede appropriation acts, there are such requirements in House and Senate Rules. Clause 2(a) of rule XXI of the Rules of the House of Representatives states that "No appropriation shall be reported in any general appropriation bill, or be in order as an amendment thereto, for any expenditure not previously authorized by law . . ." (It is important to note that a continuing resolution providing funds until regular appropriation bills are enacted is not a general appropriation bill and is not subject to the clause 2(a), rule XXI restriction.) Rule XVI of the standing rules of the Senate also places a restriction on unauthorized appropriations in appropriation bills.

There are also specific requirements in the rules of the House that authorizations for certain activities precede appropriations for those activities. Clause 9, rule XLVIII of the rules of the House of

Representatives states that no funds may be appropriated (except in a continuing resolution) to carry out certain intelligence and intelligence-related activities unless such funds have been previously authorized for that fiscal year by a bill or joint resolution passed by the House during the same or preceding fiscal year.

In the House, a point of order may be made in the Committee of the Whole House on the State of the Union against any unauthorized appropriations in a general appropriation bill. If relevant authorizations are not enacted into law before a regular appropriation bill is considered, the paragraphs containing unauthorized appropriations may be deleted from the bill by a point of order, unless the House adopts a rule waiving points of order against the general appropriation bill for violations of clause 2(a), rule XXI. Sometimes consideration of the appropriation bill is delayed by the prospect of such points of order, and Congress relies on a continuing resolution to fund the programs covered by that appropriation bill. In every year since 1979, at least some general appropriation bills with a large number of unauthorized appropriations have been delayed and the programs funded by continuing resolution. Also in each of those years at least some rules have been adopted in the House containing waivers against violations of clause 2, rule XXI.

As noted above, the Congressional Budget Act of 1974 introduced a reporting deadline for authorizations of appropriations. Section 402(a) requires that any bill or resolution directly or indirectly authorizing the enactment of new budget authority must be reported by May 15. Section 402(b) provides that if the Committee on Rules determines that emergency conditions require a waiver against a violation of section 402(a) the Committee may report and the House may consider and adopt a rule for the consideration of the authorizing measure containing a waiver. Section 402(e) states that the May 15 deadline does not apply to legislation providing new entitlement authority or certain social security legislation.

The Committee finds that the May 15 reporting deadline has created more problems than it solves. First, it invites legislative committees to wait until mid-May to report authorizations and that means that authorizations are not in place in time for House Appropriations Committee markup of the thirteen regular appropriation bills. Moreover, it means that, if everything is on time, the conference report on the budget resolution, most authorizations of appropriations and the first general appropriation bills reported from the House Appropriations Committee are competing for floor time in mid-May and early June. This logjam creates delay and frustration, and adds to the confusion about the distinct purposes of the authorization, budget and appropriation processes.

Section 402(a) of the Act provides one deadline for all authorizations of appropriations. As a result, too many bills and resolutions are reported at or near the same time for prompt consideration of them all. It is not clear, moreover, that the same deadline is appropriate for all authorizations of appropriations.

Authorizations of appropriations come in different forms and cover very different parts of the federal government. Some authorizations of appropriations are considered and enacted as separate measures. These usually resemble appropriation acts in structure

and set definite dollar limits by account for specific fiscal years. Other authorizations of appropriations are included in enabling legislation and provide indefinite authority, that is, they authorize "such sums as may be necessary to carry out the provisions of this act." Authorizations may also be classified by duration. Permanent authorizations are in effect until altered or terminated by an act of Congress. Multiyear authorizations specify the duration of the authorization, usually two to five fiscal years. Annual authorizations must be renewed each year. The duration of the authorization and whether the authorization is definite or indefinite are matters for the discretion of the committee reporting the authorization and the House and Senate acting on the legislation except in rare cases, as noted above, where the rules of the House or existing law prescribes a specific type of authorization.

The Armed Services Committees, for example, have expanded the number of programs covered each year in annual authorizations reported by those committees. They have argued that the nature of those programs requires Congress to provide annual definite authorizations. P.L. 86-149, enacted in 1959, required annual authorization of appropriations for the procurement of aircraft, missiles, and naval vessels. In 1963, that law was amended and expanded to require annual authorization for all research, development, test or evaluation carried on by the Department of Defense. Over the years, laws have been enacted requiring more and more of the defense budget to be subject to annual authorization. The Department of Defense Authorization Act of 1980 (P.L. 96-342) was the most recent example. It requried that military operations and maintenance be authorized annually beginning in fiscal year 1982.

While the Committees on Armed Services have argued that these programs are in need of annual authorization, they have also noted that it is difficult to handle the increasing workload in time to meet the May 15 deadline. In the report accompanying the Department of Defense Authorization Act of 1980, H.R. 6974, the Senate Armed Services Committee said,

> . . . the period from first presentation of the President's budget in mid-January to the May 15 deadline for reporting all authorizing legislation is too short for thorough consideration of all facets of the budget, particularly in so vast and complex an area as defense procurement, research and development and manpower authorizations.

Congress is on record as recognizing that some matters require annual definite authorizations of appropriations, while other areas are more properly managed with a permanent indefinite authorization. The amount of time needed to consider these different sorts of authorizations is clearly not the same.

The May 15 reporting deadline ignores the significant differences among the types of authorizations. It also encourages the reporting of authorizations during an already crowded period on the legislative calender with delay, confusion and frustration as the inevitable result. For these reasons, the Congressional Budget Act Amendments of 1984 (H.R. 5247) removes the May 15 deadline. The Committee believes that most authorizations of appropriations, which do not actually provide money, should be considered in the winter

and early spring before the budget resolution is adopted. If the authorizations are in place by May, they will have more influence on the development of the budget resolution and regular appropriation bills.

The order to facilitate timely consideration of legislation containing authorizations of appropriations, such legislation should be given priority in the legislative schedule during the winter and early spring. Though the Committee recognizes it cannot bind House Rules Committees of future Congresses, it intends that the Rules Committee should work with other committees and the House leadership to ensure that authorizing legislation is considered prior to June, when consideration of appropriation legislation should begin.

A number of provisions of H.R. 5247 will facilitate timely consideration of authorizations of appropriations. H.R. 5247 requires the Congressional Budget Office to submit a list of programs that will need authorization for the budget year by the first Monday after January 3. This list will show which currently funded appropriation accounts have authorizations that will expire prior to or during the budget year or that have already expired. The Committee recommends that the House leadership use the Congressional Budget Office list as a guide to develop a month by month schedule for floor consideration of authorization bills in the winter and early spring. Establishing and announcing a floor schedule for authorizations will help shift this portion of the House's work to the winter and early spring. As a consequence, there is a better change that necessary authorizations will be in place by the time appropriation measures must be considered.

The Committee strongly urges legislative committees to spread their authorizations workload over several years by reporting multiyear authorizations in place of annual authorizations and by reporting year-ahead authorizations were appropriate. Year-ahead authorizations are enacted at least a year before the related appropriations will be considered. Year-ahead action on authoriations was clearly contemplated and expected by the authors of the Congressional Budget Act of 1974, as is clear from the joint explanatory statement accompanying the Act:

> The managers believe that in the future it will be necessary to authorize programs a year or more in advance of the period for which appropriations are to be made. When this is done, Congress will have adequate time for considering budget-related legislation within the timetable of the congressional budget process.

Year-ahead consideration of authorizations requires, however, that the Executive adhere to the deadline in current law for prior-year authorization requests. Under section 607 of the Act the president is required to submit year-ahead authorization requests. H.R. 5247 retains this provision and the Committee urges the President to provide necessary legislative language far enough in advance to permit Congress to act on year-ahead authorizations.

While the timetalbe set in H.R. 5247 is based on the assumption that authorizing legislation will be in place before June, the House Committee on Appropriations is required to report all general ap-

propriation bills by June 10 whether or not all relevant authorizing legislation has been enacted. This is necessary to ensure that the appropriation legislation can be enacted prior to the beginning of the fiscal year. H.R. 5247 does not provide an automatic waiver of clause 2(a), rule XXI if authorizations have not been enacted by June. However, the legislative timetable established by this legislation and the Committee's desire to avoid reliance on continuing resolutions strongly suggest that the Rules Committee should, in general, look favorably upon requests for clause 2(a), rule XXI waivers when authorizing legislation has not been reported early enough in the year to facilitate timely enactment.

Of course, this does not mean that the Committee on Appropriations should be given a free hand to legislate or to provide appropriations for unauthorized appropriations without full consultation and cooperation with the relevant authorizing committees. The Committee hopes that authorizing legislation can be enacted prior to the consideration of appropriation legislation. In those cases when this is not possible, the Committee believes that the authorizing committee, the appropriation committee, the House leadership and the Rules Committee should work together to ensure that the appropriation legislation can be considered in a reasonable and timely manner.

Alternative Approaches to Ensure Timely Consideration of Authorizations

Some Members have urged the adoption of other approaches to the timetable problems in the authorization process. In particular, it has been suggested that:

(1) multiyear authorizations should be required;

(2) a reporting deadline prior to May 15 should be adopted; and

(3) an enactment deadline should be adopted.

(1) Require Multiyear Authorizations.—Annual authorizations, once rare, are now commonplace. Before 1950 only two programs were authorized annually: military construction and foreign assistance. In the last three decades, many permanent and multiyear authorizations were transformed into annual authorizations. Despite the hopes of the framers of the Congressional Budget Act, budget authority subject to annual authorization has grown dramatically since the Act has been in effect, as the chart below shows:

BUDGET AUTHORITY SUBJECT TO ANNUAL AUTHORIZATION

Budget authority in appropriation bills subject to annual authorization

[In billions of dollars] [1]

Fiscal year:	
1976	43.2
1977	51.2
1978	57.0
1979	61.9
1980	71.6
1981	78.3
1982	161.4

[1] Does not include classified amount for intelligence activities.

Extending the duration of authorizations (making them multiyear) would certainly reduce the time spent on authorization legislation in hearings, markup, floor debate and conference and would increase the likelihood that authorizations will be in place before the House should begin consideration of appropriation bills. There is no doubt that requiring all annual authorizations to be extended to multiyear authorizations would help resolve some timetable difficulties.

The record is clear, however, that Congress prefers annual authorizations in certain situations. For example, the authorization for the Department of State was permanent and indefinite until 1972. Tension mounted between the Department and Congress during the Vietnam War. The conflict between the Department and Congress reached its peak in 1972 when Congress enacted an annual authorization. In 1979, when relations between Congress and the Department had improved, Congress enacted a two year authorization. Annual authorizations for the Central Intelligence Agency, the Justice Department and the Civil Rights Commission were enacted after Congress uncovered abuses of authority in the agencies and sought to regain control over specific programs.

In support of an annual authorization for foreign assistance for fiscal year 1982, Representative Stephen Solarz commented:

> . . . oversight detached from legislation relating to money is oversight which is not likely to have a very great impact. It is precisely our capacity—to a large extent exclusively our capacity—to affect the levels of foreign aid on a country-by-country, or region-by-region, or program-by-program basis. This legislation annually is the only vehicle that presents itself for expression of the views of the House on foreign policy matters. [Foreign Assistance Legislation for Fiscal Year 1982 (Part 9) House Committee on Foreign Affairs, 97th Congress, 1st Session, (1981)]

The Committee believes that Congress should retain the discretion to enact authorizations of whatever length is most appropriate for the circumstance.

(2) Adopt an Earlier Reporting Deadline.—Even if all authorizations were reported by May 15, action on general appropriation bills would be delayed. This is one reason to drop the May 15 reporting deadline. Some members have suggested that in its place a deadline earlier than May 15 would be useful.

Some reasons for dropping the May 15 deadline, however, apply with equal force to any single deadline for all authorizations. To require that all authorizations be reported by May 15, or by April 15, or by any particular day, invites the impression that all should be reported on or near that date. This leads to the reporting of too many measures at one time. The Committee believes that providing access to the floor from October to June for authorizing legislation is more appropriate given the significant differences among the agencies, activities, departments and programs authorized. The record for waivers against violations of section 402(a) of the Act, which requires authorizations to be reported by May 15, sugggests Congress recognizes that many authorizations should be on a different schedule. In the House, the Rules Committee has reported, the

Budget Committee supported and the House adopted more waivers of section 402(a) than waivers of any other section of the Congressional Budget Act. The table below shows the number of waivers of section 402(a) granted in rules reported by the Rules Committee in each Congress since enactment of the Budget Act:

Congress	*Number of 402(a) Waivers Reported*
95th Congress, 1st and 2d session	53
96th Congress, 1st and 2d session	77
97th Congress, 1st and 2d session	42
98th Congress, 1st session only	28

It is very unlikely that an earlier reporting deadline would be less frequently waived. To adopt a requirement that will be often violated weakens the force of other requirements in the Act and fails to solve any of the problems it is intended to solve.

In addition, many authorizing committee chairmen, in testimony before and submissions to the Rules Committee Task Force and the Rules Committee, have complained that the current deadline and the accelerated timetable under H.R. 5247 does not provide sufficient time for authorizing committees to do their work. An earlier reporting deadline would even further hinder their efforts. For all these reasons, the Committee cannot support a reporting deadline.

(3) Adopt an Enactment Deadline.—An enactment deadline would require Congress to complete action on authorizations by a certain date and would prohibit consideration after that date of any bill or resolution (or conference report thereon) authorizing appropriations. An enactment deadline is consistent with the rules of the House and Senate which prohibit the consideration of appropriations for any expenditure not previously authorized *in law*. The legislative history of the Budget Act shows that the original deadline for authorizing legislation was an enactment deadline, not a deadline for reporting such measures. The Joint Study Committee report, *Recommendations for Improving Congressional Control Over Budgetary Outlay and Receipt Totals*, April 1973, proposed a prohibition on the consideration of any authorization of appropriations after the start of the fiscal year to which it applied. H.R. 7130, the Congressional Budget and Impoundment Control Act of 1973, as passed by the House, prohibited consideration of any bill, resolution or conference report authorizing appropriations for a fiscal year after March 31 of the calender year in which such fiscal year begins.

Congress, however, ultimately opposed an enactment deadline. The Senate added a reporting deadline and it was accepted by the House. As detailed above, Congress has frequently waived the reporting deadline. This record indicates that there are often more important considerations in the timing of authorizations than the efficiency of the congressional schedule. A viable timetable must recognize that in many cases the nature of the programs in question will determine the timing for authorizations. Instead of fixed deadlines, the Committee proposes calendar guidelines. By giving priority to the consideration of authorizations in winter and early spring and by giving priority to the consideration of appropriation bills from June through September, this proposal minimizes the

legislative traffic jam in the summer months while maintaining the distinction between authorizing and appropriating activities.

Timetable for Budget Resolutions

Under current law, the first budget resolution is to be reported in the House and Senate by April 15 and adopted by Congress by May 15. However, as political differences over budget priorities have increased in recent years, adoption of the first budget resolution has been delayed, as the chart below shows:

Date of adoption of first budget resolution

Fiscal year:	*Date conference report agreed to—*
1977	May 13, 1976
1978	May 17, 1977
1979	May 15, 1978
1980	May 23, 1979
1981	June 11, 1980
1982	May 21, 1981
1983	June 22, 1982
1984	June 23, 1983
1985	Oct. 1, 1984.

The Committee believes that valuable time can be gained to consider appropriation bills and other budget-implementing legislation by accelerating consideration of the annual budget resolution. H.R. 5247 requires Congress to adopt the budget resolution by April 15. While political conflicts may delay adoption of a resolution in any year, the Committee believes that, in normal years, a budget resolution can be adopted by April 15. Submission of the President's budget a month earlier and organization of Congressional committees significantly earlier than is current practice should make it possible to comply with the April 15 deadline.

The various stages leading up to adoption of the resolution are also accelerated under H.R. 5247. The Congressional Budget Office is required to submit its baseline projections and other reports by February 15 rather than by April 1 as required by current law. Standing committees are required to submit their views and estimates to the Budget Committees by February 25 rather than March 15. The current ten day layover required for budget resolutions is reduced to five days. It should be noted that in current practice, the ten day layover requirement is routinely waived in the House to allow timely consideration of the budget resolution. H. Res. 496, providing for the consideration of the first budget resolution for fiscal year 1983, waived the ten day layover requirement. H. Res. 144, providing for the consideration of the first budget resolution for fiscal year 1984, waived the ten day layover requirement. The House Budget Committee reported a first budget resolution for fiscal year 1985 on March 31, 1984 and the House passed a first budget resolution for fiscal year 1985 five days later on April 5.

Timetable for Appropriation Legislation

Congress normally funds federal programs through the annual enactment of thirteen general appropriation bills. If one or more of the regular appropriation bills is not signed into law by October 1, then a joint resolution must be enacted to continue appropriations. The joint resolution is referred to as a continuing resolution. In the

first full year that the Budget Act was in effect, Congress completed action on all thirteen regular appropriation bills before the start of the fiscal year. As the table below shows, the record has declined since then:

NUMBER OF REGULAR APPROPRIATION BILLS ENACTED, FISCAL YEARS 1968–84

Fiscal year	Enacted before beginning of fiscal year	Enacted during fiscal year	Under continuing resolution throughout fiscal year
Before implementaion of the Budget Act:			
1968	2	11	0
1969	1	12	0
1970	0	13	0
1971	0	13	0
1972	3	10	0
1973	3	8	2
1974	0	13	0
1975	0	13	0
Transistion:			
1976	0	10	3
After implementation of the Budget Act:			
1977	13	0	0
1978	10	2	1
1979	5	7	1
1980	3	7	3
1981	1	7	5
1982	0	9	4
1983	1	5	7
1984	4	6	3

The Congressional Budget Act of 1974, however, did not create the problem of late appropriation bills, as the chart above shows. As early as 1876, a continuing resolution (19 Stat. 65) provided stop-gap funding authority, "only for the necessary operations of the Government under existing laws . . . for a period not exceeding ten days from and after the thirteenth day of June, eighteen hundred and seventy-six, unless the regular appropriations shall have been previously made . . ." While the duration and scope of funding by continuing resolutions has expanded, the basic problem, late appropriations, was the same. In the period immediately before enactment of the Congressional Budget Act, Congress and the Executive were regularly unable to enact regular appropriation bills before the start of the fiscal year. Between 1960 and 1970, only 17 out of 127 regular appropriation bills were enacted by the start of the appropriate fiscal year.

In fact, immediately after institution of the Act the Congress achieved the best record in modern times for enactment of regular appropriation bills by the beginning of the fiscal year. All thirteen regular appropriation bills for fiscal year 1977 were enacted prior to the beginning of the fiscal year, and ten of the regular appropriation bills for fiscal year 1978 were enacted by the start of that fiscal year.

In the years since, the record has declined. One explanation of this decline, however, is not that adopting a budget resolution has caused delays, but that the House schedule has not allowed as much legislative work to occur early in the year as had been the

case in previous years. In recent years the number of weeks in the period January through July in which the House has recorded votes or quorum calls on at least four days during the week has declined steadily. Since committees often find it difficult to obtain quorums for hearings and mark-ups on days when there are no recorded votes scheduled in the House, the number of days early in the year when legislative progress can be made in committees has declined. On weeks when votes are not scheduled before Tuesday afternoon or after Thursday afternoon, the effective committee work-week is reduced to one or one and one-half days. The following table details the number of weeks in the first half of each year from 1975 through 1983 in which the House had recorded votes or quorum calls on four or more days and the number of regular appropriation bills enacted prior to the beginning of the fiscal year in each of those years:

NUMBER OF WEEKS IN WHICH THE HOUSE HAD RECORDED VOTES ON 4 OR MORE DAYS AND THE NUMBER OF REGULAR GENERAL APPROPRIATION BILLS ENACTED PRIOR TO THE BEGINNING OF THE FISCAL YEAR

	Number in January through March	Number in April	Number in May	Number in June	Number in January through June	Number of regular general appropriation bills enacted before the beginning of the fiscal year	
						Number	Fiscal year
1975	2	3	3	4	12	0	[1] 1976
1976	8	2	5	4	19	13	1977
1977	5	2	4	4	15	10	1978
1978	7	5	3	3	18	5	1979
1979	1	2	3	3	9	3	1980
1980	7	0	0	3	10	1	1981
1981	0	0	1	1	2	0	1982
1982	0	0	2	0	2	1	1983
1983	1	0	0	0	1	4	1984

[1] Fiscal year began on July 1 for fiscal year 1976.

There are currently two provisions of the Act that relate to timing of appropriation measures. The first, Section 307, requires that prior to reporting any general appropriation bill for a fiscal year, the House Appropriations Committee shall, insofar as practicable, complete consideration of all such bills and submit to the House a summary report comparing the committee's actions with the levels of budget authority and outlays contained in the first budget resolution. This requirement is intended to allow the House to compare all House Appropriations Committee recommendations with the target levels in the budget resolution before considering any of the bills. In practice, this requirement has been difficult to meet. Normally, one or two appropriations bills are particularly contentious, and markup on such bills cannot be completed promptly. Adherence to this reporting requirement would only further delay consideration of all appropriation bills. Furthermore, the information provided by the summary report is superfluous. Section 302(b)(1) of the Act requires the Appropriations Committee to divide among its subcommittees the committee allocation provided in the joint statement accompanying the conference report on the budget resolution. The Act also requires the Appropriations

Committee to report its subdivisions promptly. H.R. 5247, the Congressional Budget Act Amendments of 1984, adds a new provision prohibiting consideration of any bill, resolution, amendment or conference report providing appropriations if the Appropriations Committee has not filed its section 302(b) report. Under H.R. 5247, the report accompanying each appropriation bill must contain a comparison of the levels provided in the bill with the levels allocated in the Appropriations Committee subdivision. The Committee believes that the summary reports on all the regular bills are unnecessary given the comparisons provided in the reports accompanying appropriation bills.

The second provision of current law relating to timing of appropriation measures, section 309, requires that Congress complete action on all bills providing new budget authority (except for continuing, supplemental and deficiency appropriations) or new entitlement authority by the seventh day after Labor Day. However, this section also provides that the requirement does not apply to appropriation bills if relevant authorizations are late. Under the current budget schedule, there simply is not enough time to complete action on all authorizing and appropriation measures by mid-September. The requirement usually is not applicable anyway because it is almost always the case that a number of relevant authorizations have not been enacted in a timely manner.

In place of these requirements, H.R. 5247 provides a new schedule for consideration of appropriation bills. First, H.R. 5247 deletes the summary report requirement and requires instead that all regular appropriation bills be reported by the House Appropriations Committee by June 10. Because, under this bill, adoption of the budget resolution is moved forward one month (from May 15 to April 15), this reporting date allows enough time for Appropriations Committee to act on its bills after the budget resolution is adopted. Second, H.R. 5247 requires that the House complete consideration of all regular appropriation bills by the end of June. It prohibits consideration in the House of a resolution of adjournment for the Independence Day District Work Period until the House completes consideration of the regular appropriation bills. Finally, the Senate is required to pass regular appropriation bills by August 15, a month and a half after the bills are received from the House. The Committee believes that this new timetable will result in more timely enactment of appropriation measures and thus reduce the degree of reliance on continuing resolutions.

Timetable for Reconciliation

As with appropriation bills, H.R. 5247 requires reconciliation legislation to be considered in the House prior to the Independence Day District Work Period and in the Senate by August 15. Currently each budget resolution with reconciliation directives sets a date for committees to report in response to those directives, but there is no overall time frame for completion of this critical part of the process. The Committee recommends reconciliation deadlines not only to ensure consideration of all budget legislation before the start of the fiscal year, but also as a way of forcing the House and Senate to act on all budget measures in a compressed time frame,

38-708 O - 84 - 4

while the provisions of the budget resolution and the resolve to abide by them are fresh in the minds of Members.

Timing-related Changes Not Recommended at This Time

Of note are two prominent proposals relating to timing which were considered, but are not recommended by the Committee. One is biennial budgeting, the other a mechanism for a permanent continuing appropriations.

Biennial Budgeting.—The Rules Committee Task Force on the Budget Process considered the possibility of stretching the entire budget process (i.e., authorizations, budget resolution, and appropriation bills) over a two-year period in order to lighten the annual congressional workload and provide additional time for other important activities, such as oversight. There are two leading arguments against a two-year system: one is that to adopt a budget resolution for a two-year period does not seem feasible, given how quickly political and economic circumstances change. The other argument concerns the timing of biennial budget decisions: either they are made very early in the first session of a new Congress or one Congress must make budget decisions that are binding on the next Congress.

The Committee does endorse authorizations of appropriations for periods of two or more years, as noted above. The Committee also encourages studies of the feasibility of placing some annually financed programs on a two-year appropriation cycle. Finally, H.R. 5247 provides for multiyear committee allocations and a system control that allows, where appropriate, for multiyear budgeting (see "Strengthened Controls").

Automatic Continuing Appropriation.—Initially, there was keen interest among members of the task force for establishing an automatic, or permanent, continuing resolution in order to avoid government agency shutdowns and other problems that result from late enactment of appropriation bills. However, largely because there was not enough information on how such a device would work, the task force decided to forgo recommendations on this matter. At the Committee's request, the General Accounting Office is currently conducting a study which, upon completion, will provide a better basis for making a decision on this matter.

Strengthened Controls

SUMMARY

Budget controls should nurture a sense of responsibility by assigning accountability clearly and simply and by focusing on what can be directly controlled. H.R. 5247 establishes a credible and durable system of controls. H.R. 5247 improves procedural enforcement of the levels agreed to in the budget resolution. H.R. 5247 strengthens reconciliation. H.R. 5247 also improves the system of scorekeeping.

Specifically, H.R. 5247 provides that:

—Congress may not consider spending, credit or revenue measures before it adopts a budget resolution;

—Congress may not consider a spending, credit or revenue (including tax expenditures) measure of the enactment of that measure would cause a committee's allocation for discretionary action to be breached. That allocation may cover one year, two years or three years as is appropriate;
—Congress may not consider a spending, credit or revenue measure if enactment of the measure would cause any of the aggregate levels or recommended changes in revenue or tax expenditures agreed to in the budget resolution to be breached. If the measure would not cause the committee's allocation to be breached, however, the measure would be exempt from the point of order;
—Congress may not consider new backdoor spending provisions;
—Reconciliation directives shall be included in budget resolutions to the extent necessary and the scope of reconciliation shall be expanded; and
—The Congressional Budget Office and the Budget Committees shall make available budget status reports at least monthly. Comprehensive budget scorekeeping shall be required and highlighted.

EXPLANATION

Budget Controls

Under the Act and under H.R. 5247, Congress first agrees on an overall budget plan in the form of a budget resolution and then considers the legislation which will put that plan into effect. For this system to work, budget controls must give force to the decisions made in the budget resolution. There are two basic forms of budget control. *Procedural enforcement* includes both points of order against legislation not in conformity with the agreed upon budget plan and the reconciliation process which provides for expedited consideration of legislation implementing that plan. *Information* is the second form of budget control. Congress enforces its budget resolution, in part, by requiring cost estimates and scorekeeping reports which compare the levels provided in pending measures with the levels agreed to in the budget resolution. By requiring this information to be available in a timely fashion, Congress makes its legislative decisions fully aware of their impact on the budget which Congress already adopted.

Budget controls are designed to make sure that the actual levels of new budget authority, outlays, entitlement authority, credit activities, tax expenditures and revenue conform with the congressional budget plan. Of course, actual budget levels do not always match the levels set forth in congressional budget resolutions. The table below shows the levels of revenue and outlays set forth in congressional budget resolutions for fiscal years 1976–1983 and the actual budget levels for those years:

CONGRESSIONAL BUDGET RESOLUTIONS AND ACTUAL BUDGET TOTALS

[In billions of dollars]

Fiscal year	Revenues	Outlays	Surplus or deficit
Fiscal year 1976:			
1st resolution	298.2	367.0	−68.82
2d resolution	300.8	374.9	−74.1
Actual	299.2	364.8	−65.6
Fiscal year 1977:			
1st resolution	362.5	413.3	−50.8
2d resolution	362.5	413.1	−50.6
3d resolution	347.7	417.45	−69.75
3d resolution amended	356.6	409.2	−52.6
Actual	356.9	401.9	−45.0
Fiscal year 1978:			
1st resolution	396.3	460.95	−64.65
2d resolution	397.0	458.25	−61.25
Actual	401.1	449.9	−48.8
Fiscal year 1979:			
1st resolution	447.9	498.8	−50.9
2d resolution	448.7	487.5	−38.8
Revised 2d resolution	461.0	494.45	−33.45
Actual	465.9	493.7	−27.7
Fiscal year 1980:			
1st resolution	509.0	532.0	−23.0
2d resolution	517.8	547.6	−29.8
Revised 2d resolution	525.7	572.65	−46.95
Actual	520.0	579.6	−59.6
Fiscal year 1981:			
1st resolution	613.8	613.6	.2
2d resolution	605.0	632.4	−27.4
Revised 2d resolution	603.3	661.35	−58.05
Actual	602.6	660.5	−57.9
Fiscal year 1982:			
1st resolution	657.8	695.45	−37.65
2d resolution	657.8	695.45	−37.65
Revised 2d resolution	628.4	734.1	−105.7
Actual	617.8	728.4	−110.6
Fiscal year 1983:			
1st resolution	665.9	769.8	−103.9
Revised resolution with reserve fund	604.3	812.8	−208.5
Revised resolution without reserve fund	604.3	807.4	−203.1
Actual	600.6	796.0	−195.4

Note: Actual totals have been adjusted where necessary to agree with the budgetary treatment of various items used for the budget resolutions.

From the Congressional perspective, there are two reasons that actual spending and revenue may not match the levels set forth in a budget resolution: *legislative action* and *economic and other external factors*. Actual spending and revenue will differ from budget resolution levels if Congress enacts tax and spending legislation which was not assumed in the budget resolution, or if Congress fails to act on legislation which was assumed in the budget resolution or if Congress simply takes action at a different time. For example, fiscal year 1981 outlays were higher than anticipated in the first budget resolution for fiscal year 1981, in part because Congress appropriated more for defense procurement than was assumed in the budget resolution and failed to enact legislative savings in the civil service retirement, military retirement, Medicare and Medicaid programs that were assumed in the budget resolution. Similarly, levels of revenue in fiscal year 1982 and in succeeding years have been reduced as a result of legislative action.

Table A below shows the results of legislative changes from policies in effect on January 1, 1981 on levels of revenue in fiscal years 1982 and 1983 and on revenue projections for fiscal years 1984–1989 and table B below shows the results of legislative changes from policies in effect on January 1, 1981 on levels of outlays in fiscal years 1982 and 1983 and outlay projections for fiscal years 1984–1989:

TABLE A.—EFFECT ON REVENUES OF POLICY CHANGES SINCE 1981

[By fiscal year, in billions of dollars]

	1982	1983	1984	1985	1986	1987	1988	1989
Revenues under policies in effect Jan. 1, 1981	657	673	756	850	946	1,044	1,149	1,254
Legislative changes:								
Economic Recovery Tax Act of 1981	−40	−91	−135	−166	−210	−248	−282	−321
Tax Equity and Fiscal Responsibility Act of 1982	(1)	16	34	37	45	53	51	47
Surface Transportation Assistance Act of 1982		2	4	4	4	5	5	5
Social Security Amendments of 1983			6	9	9	11	22	30
Repeal of withholding of tax from interest and dividends		(1)	−3	−2	−2	−2	−2	−2
Other	(1)	1	(1)	1	3	2	2	2
Total changes	−40	−73	−93	−117	−151	−180	−204	−239
	Actual		Estimates					
Revenues under policies in effect Jan. 1, 1984	618	601	663	733	795	863	945	1,016

[1] Less than $500 million.

Source: Congressional Budget Office, Baseline Budget Projections: Fiscal Years 1985–89 (February 1984).

TABLE B.—EFFECT ON OUTLAYS OF POLICY CHANGES SINCE 1981

[By fiscal year, in billions of dollars]

	1982	1983	1984	1985	1986	1987	1988	1989
Outlays under policies in effect Jan. 1, 1981	767	822	867	933	1,009	1,083	1,166	1,244
Legislative changes:								
National defense	1	17	25	36	42	54	65	77
Nondefense discretionary spending	−28	−27	−21	−27	−34	−35	−37	−38
Entitlements and other mandatory spending	−11	−17	−24	−29	−33	−34	−37	−36
Net interest		−1	−2	−2	−2	−2	(1)	−1
Offsetting receipts		−1	−1	−2	−2	−2	−2	−3
Effect of legislative actions on interest costs	(1)	+2	+9	+19	+32	+49	+72	+100
Total changes	−38	−26	−14	−5	3	29	60	98
	Actual		Estimates					
Outlays under policies in effect Jan. 1, 1984	728	796	853	928	1,012	1,112	1,227	1,342

[1] Less than $500 million.

Source: Congressional Budget Office, Baseline Budget Projections: Fiscal Years 1985–89 (February 1984).

Levels of spending and revenue are also affected by external factors. For example, budget levels are sensitive to changes in the economy. The table below illustrates the effects that changes in individual economic conditions would have on projected revenues, outlays and deficits:

THE EFFECTS ON BASELINE BUDGET PROJECTIONS OF SELECTED CHANGES IN ECONOMIC ASSUMPTIONS

[By fiscal year, in billions of dollars]

	1984	1985	1986	1987	1988	1989
Real growth: Effect of 1 percentage point higher annual rate beginning January 1984:						
Change in revenues	4	15	28	45	65	88
Change in outlays	−1	−4	−7	−14	−23	−36
Change in deficit	−5	−18	−36	−60	−88	−124
Unemployment: Effect of 1 percentage point higher annual rate beginning January 1984:						
Change in revenues	−20	−32	−35	−36	−36	−39
Change in outlays	4	8	13	18	23	29
Change in deficit	24	40	47	53	60	68
Interest rates: Effect of 1 percentage point higher annual rates beginning January 1984:						
Change in revenues	(1)	1	1	1	1	1
Change in outlays	3	9	13	18	26	31
Change in deficit	2	8	12	17	25	30
Inflation: Effect of 1 percentage point higher annual rate beginning January 1984:						
Change in revenues	4	11	20	31	44	57
Change in outlays	3	13	25	38	55	70
Change in deficit	−1	2	5	6	10	13

[1] Less than $500 million.

Source: Congressional Budget Office, Baseline Budget Projections: Fiscal Years 1985-89 (February 1984).

Budget levels can also be affected by unanticipated action by Federal agencies or courts. Federal agencies can sell more loan assets than expected at the time the budget resolution is adopted, for example; and courts can make unanticipated decisions that certain claims must be paid or certain taxes not collected. Spending levels are also affected by weather conditions. An unexpected drought could reduce outlays for farm price supports below the levels assumed in the budget resolution and the effects of a hurricane could require more Federal disaster assistance. Other technical assumptions are built into a budget resolution and can be proven wrong by actual events: for example, how many eligible people will actually apply for Social Security benefits, how much will be collected in excise taxes, or the rate at which the Department of Defense will spend its appropriations. Tables C and D below show what portion of the difference between the budget resolution levels of revenue and outlays and the actual leveis of revenue and outlays was caused by legislative action and what portion was caused by external factors in fiscal years 1980, 1981 and 1982:

TABLE C.—SOURCES OF DIFFERENCES BETWEEN ACTUAL REVENUES AND BUDGET RESOLUTION ESTIMATES, FISCAL YEARS 1980–82

[In billions of dollars]

Reason	Actual minus resolution						
	1980			1981		1982	
	1st resolution	2d resolution	Revised 2d resolution	1st resolution	Revised 2d resolution	1st resolution	Revised 2d resolution
Economic assumptions	8.4	12.6	−3.0	5.0	−2.7	−51.9	−5.2
Legislative assumptions	6.2	1.1	0	−3.7	5.2	13.0	.2

TABLE C.—SOURCES OF DIFFERENCES BETWEEN ACTUAL REVENUES AND BUDGET RESOLUTION ESTIMATES, FISCAL YEARS 1980–82—Continued

[In billions of dollars]

Reason	Actual minus resolution						
	1980			1981		1982	
	1st resolution	2d resolution	Revised 2d resolution	1st resolution	Revised 2d resolution	1st resolution	Revised 2d resolution
Technical assumptions	−3.5	−11.4	−2.7	−12.5	−3.3	−1.1	−5.6
Total	11.1	2.3	−5.6	−11.2	−.7	−40.0	−10.6

Source: Congressional Budget Office, An Analysis of Congressional Budget Estimates for Fiscal Years 1980–82 (June 1984).

TABLE D.—SOURCES OF DIFFERENCES BETWEEN ACTUAL OUTLAYS AND BUDGET RESOLUTION ESTIMATES, FISCAL YEARS 1980–82

[In billions of dollars]

Reason	Actual minus resolution						
	1980			1981		1982	
	1st resolution	2d resolution	Revised 2d resolution	1st resolution	Revised 2d resolution	1st resolution	Revised 2d resolution
Economic assumptions	12.4	5.5	1.3	6.4	2.0	24.1	0.8
Legislative assumptions	12.4	6.1	.8	17.9	.7	1.1	−1.3
Administrative assumptions	7.2	6.1	.4	6.6	.5	1	−.7
Technical assumptions	15.6	14.3	4.5	16.0	−2.7	7.7	−4.5
Total	47.6	32.0	7.0	46.9	−0.8	32.9	−5.7

Source: Congressional Budget Office, An Analysis of Congressional Budget Estimates for Fiscal Years 1980–82 (June 1984).

The two forms of budget control, procedural enforcement and information, are each appropriate to prevent certain breaches of the budget plan. Procedural enforcement is the proper tool to ensure that new legislation satisfies the assumptions for current legislative action in the budget resolution. Budget resolutions direct committees to report legislation changing existing law to achieve savings of a specified amount. Budget resolutions specify amounts by which the level of revenue should be increased or decreased by bills or resolutions to be reported from the appropriate committees. Budget resolutions set limits on the amount of total new budget authority to be provided.

Under the Act and under H.R. 5247, the aggregate total for new budget authority in a budget resolution is divided among committees and further divided between amounts assumed for current legislative action and amounts estimated from existing law without further legislative action. By adopting a budget resolution, Congress directs itself to achieve changes in existing law and limits its legislative discretion to consider additional spending or additional tax reductions. Procedural tools can enforce the will of Congress as expressed in the budget resolution. First, a point of order can prohibit Congress from considering spending or revenue legislation before Congress expresses its will in the budget resolution. Second, the reconciliation process can force Congress to act on legislative savings or tax increases that are assumed in the most recent

budget resolution. Finally, points of order can prohibit consideration of bills or resolutions that provide spending higher than the spending level set in the most recent budget resolution or that reduce revenue below the revenue level set in the budget resolution. Procedural enforcement is the appropriate tool to prevent legislative action from making the budget plan go awry. This is described in furtner detail below.

Information is the proper tool when external factors threaten the budget plan. The level of total new budget authority set forth in a budget resolution, for example, consists of amounts to be provided through assumed legislative action (appropriation bills, other spending measures and changes to existing law) and estimated new budget authority available through existing law without further legislative action. From fiscal year 1981 through fiscal year 1983, approximately sixty percent of the new budget authority made available was provided through current congressional action. The table below illustrates that fact:

NEW BUDGET AUTHORITY AVAILABLE THROUGH CURRENT ACTION AND AVAILABLE WITHOUT CURRENT ACTION

[In billions of dollars]

Description	Fiscal year—		
	1981	1982	1983
New budget authority made available through current action by Congress	437.8	457.1	525.5
New budget authority available without current action by Congress:			
Permanent appropriations	351.7	403.8	465.2
Contract authority	24.9	21.7	20.1
Authority to borrow	2.8	10.7	21.9
Deductions for offsetting receipts:			
Intragovernmental transactions	−66.4	−79.0	−126.5
Proprietary receipts	−32.5	−34.3	−39.9
Total budget authority for the year	718.4	779.9	866.7

Approximately forty percent of the total new budget authority available in a fiscal year is available from existing law without further legislative action by Congress. A portion of the difference between the budget resolution target and the actual level of total new budget authority, the portion of the difference which is not caused by legislative action, is due to the impact of external factors on existing law providing budget authority to be available without current action by Congress. Thus, actual spending levels may exceed budget resolution targets even if Congress enacts all the reconciliation directives it agreed to in the budget resolution and does not enact measures providing more spending than was assumed for current action in the budget resolution.

In that situation the budget resolution aggregates would be breached, but the legislation before Congress is not the cause of the problem. Of course only the legislation before Congress can be subjected to points of order or other procedural tools for enforcement. Some members believe that the particular spending legislation before Congress, even if it is not the cause of the problem, should be subject to a point of order unless it is far enough below what

was assumed in the budget resolution for current action that room is left for the effects of unanticipated external factors on existing laws. The Committee believes that information is a more appropriate tool. When a spending measure is before the House or Senate and that measure is within the levels assumed for current legislative action but will, nonetheless, cause the levels of spending in the budget resolution to be further breached because of external factors affecting other spending, Congress must decide how the budget plan should be changed to take account of the external factors. Congress can decide to change the pending measure, even though the budget resolution assumes this current legislative action, or Congress can decide to enact the measure as reported and forego the budget aggregates. Either way, Congress is deciding how actual spending will differ from the budget plan. Congress must have the information to make that decision, but there is no reason to believe that Congress should always choose to preserve the aggregates at the cost of current legislation assumed in the budget resolution. Moreover, using procedural impediments against measures that are not the cause of the problem discourages Congress from developing fiscal responsibility. If a committee has done everything within its control to live within the limits set by the budget resolution but still finds its measures subject to points of order because of external factors or because of spending from legislation reported by other less responsible committees, the committee will not likely make the effort again. Congress must be fully aware of the budget implications of its acts or omissions, but it should be permitted to consider measures that do not exceed the levels for current action assumed in the budget resolution.

Prohibition Against Consideration of Implementing Legislation Prior to Adoption of Budget Resolution

H.R. 5247 retains section 303 of the Budget Act which provides that no spending, revenue or public debt legislation may be considered for a fiscal year prior to the adoption of a budget resolution for that year. H.R. 5247 adds credit legislation to the list of prohibited measures.

The purpose of the prohibition is to ensure that Congress adopts an overall plan before it considers the bills and resolutions that implement it. Since the purpose of budget controls is to give force to the decisions made in a budget resolution, no system of controls will be effective if significant budget action precedes adoption of the resolution.

Under the Act and under H.R. 5247, an exception is made for legislation providing new budget authority or changes in revenue first effective in the second fiscal year after the fiscal year in which the legislation is considered. Thus, between October 1, 1984 and September 30, 1985 (fiscal year 1985), legislation providing new budget authority first effective after September 30, 1986 (fiscal year 1987) would be exempt from the prohibition.

Advance appropriations are provided for use in a fiscal year after the upcoming fiscal year. Advance appropriations in an appropriation bill for fiscal year 1985 will provide budget authority first effective after fiscal year 1985. Programs authorized to receive advance appropriations in fiscal year 1985 appropriation bills include:

Corporation for Public Broadcasting; grants to states for medicaid; AFDC; child nutrition programs; food program administration; Food donations programs; Department of Education (including bilingual education, compensatory education for the disadvantaged, impact aid, Indian education, student financial assistance, vocational and adult education); and the urban mass transportation fund.

Advance appropriations for these programs allow agencies or state and local governments administering these programs to make the necessary plans for carrying out the funded activities. Advance appropriations have constituted less than one percent of total annual appropriations in any fiscal year in recent years.

Revenue changes are phased in over several years in certain cases to permit taxpayers to plan for the new provisions in the tax code or to provide an opportunity for states and local governments to adjust their tax provisions which are linked to the Federal tax code. The exemption allows for consideration of legislation making such revenue changes.

Some members proposed an automatic waiver of the section 303 prohibition so that the House could consider general appropriation bills in June even if a budget resolution is not in place. The automatic waiver was suggested to ensure that appropriation bills are not also delayed when Congress has not adopted a budget resolution by June. The Committee believes, however, that when a budget resolution is delayed, a balance must be struck. On the one hand, by not waiving section 303 (the point of order against consideration of spending or revenue measures for a fiscal year before the budget resolution for that fiscal year is adopted) pressure is put on Congress to adopt the budget resolution. On the other hand, only if section 303 is waived and the House begins to consider appropriation bills early in the summer, will Congress be able to enact all the regular appropriation bills by the start of the fiscal year. In the event that agreement on a budget resolution is delayed, the Committee believes that the House should have the flexibility to find the proper balance for the circumstances: sometimes waiving section 303 to allow appropriation bills to be considered on schedule and sometimes delaying consideration of spending, credit, revenue, or public debt legislation so as to put pressure on Congress to complete action on the budget resolution. To allow the House the flexibility to find the proper balance, H.R. 5247 does not provide an automatic waiver of section 303.

Procedural Enforcement of the Budget Resolution Under the Congressional Budget Act of 1974

A number of procedural tools are used, under the Act and in current practice, to enforce the decisions made in a budget resolution. Section 311 of the Act provides that it shall not be in order to consider measures that would cause the levels of total new budget authority, total outlays or total revenue set by the *second* budget resolution to be breached. In recent years, the section 311 point of order has been applicable to the levels in the first budget resolution after the start of the fiscal year, if Congress has not completed action on the second resolution by that time. For example, section 5(a) of the conference report on the first budget resolution for fiscal year 1984 states:

> If Congress has not completed action by October 1, 1983 on the concurrent resolution on the budget required to be reported under section 310(a) of the Congressional Budget Act of 1974 for the 1984 fiscal year [the second budget resolution for fiscal year 1984], then this concurrent resolution shall be deemed to be the concurrent resolution required to be reported under section 310(a) of such Act, for the purposes of section 311 of such Act.

Recent experience suggests that the section 311 point of order is not an adequate enforcement tool. The problems stem from the timing and the target of the point of order. The Act, and current practice, provide for Congress to enact implementing legislation before procedural sanctions apply. Under the Act, the timetable clearly calls for the House to consider appropriation bills soon after the first budget resolution is adopted in May even though section 311 does not apply until the second resolution is adopted in September. Thus, the section 311 point of order usually comes into play only on essential spending measures considered after the fiscal year is well underway. In the 95th Congress, section 311 was not waived. In recent years, however, the House and Senate have waived section 311 to provide for the consideration of important measures, primarily supplemental appropriation bills, which exceed the budget levels set by the budget resolution. The record of rules granted by the House Rules Committee illustrates that point. In the 96th Congress, first session, the Rules Committee granted two rules waiving section 311 against consideration of H.R. 111, the Panama Canal Treaty Implementation Act. One rule was laid on the table, May 17, 1979. In the 96th Congress, second session, the Rules Committee granted three rules waiving section 311 against consideration of H. Con. Res. 204, extending nondiscriminatory treatment to the products of the People's Republic of China; against H.J. Res. 545, making urgent appropriations for the food stamp program; and against H.J. Res. 554, a supplemental appropriation for the Federal Trade Commission. In the 97th Congress, first session, the Rules Committee granted one rule waiving section 311 against consideration of H.R. 3512, providing supplemental appropriations and recissions. In the 97th Congress, second session, the Rules Committee granted eight rules waiving section 311:

Resolution reported by Rules Committee (97th Congress)	Bill against which sec. 311 of the Budget Act was waived
H. Res. 355	H.J. Res. 389—Agriculture Supplemental.
H. Res. 355	H.J. Res. 391—Labor Department Supplemental.
H. Res. 356	H.J. Res. 392—HHS Supplemental.
H. Res. 415	H.R. 5922—Supplemental Appropriation.
H. Res. 461	H.R. 5922—Supplemental Appropriation.
H. Res. 502	H.R. 5922—Supplemental Appropriation, conference report.
H. Res. 617	H.R. 6957—Commerce, Justice, State, Judiciary Appropriation.
H. Res. 629	H.R. 7397—Caribbean Basin Economic Recovery.
H. Res. 630	H.R. 3191—Tax Rules, N. American Convention.

In the 98th Congress, first session, the Rules Committee granted rules waiving section 311 against H.R. 1718 making emergency appropriations, against H.R. 1900, the Social Security Amendments of

1983, and against H.R. 3069, making supplemental appropriations. In the 98th Congress, second session, the Rules Committee granted rules waiving section 311 against S. 529, the Immigration Reform and Control Act; against H.R. 3755, the Social Security Disability Amendments, against H.R. 5172, National Bureau of Standards Authorization, and against amendments to H.R. 5174, the Bankruptcy Court Act.

Under the Act, section 311 applies to any measure that would cause total budget authority, outlays or revenue to be breached or further breached. It does not distinguish between measures that are in conformity with budget resolution assumptions about committee spending levels and measures that are not. A committee that reports all its legislation providing budget authority well within the level allocated to the committee may find its bills subject to a point of order because the aggregates have already been breached by other committees' legislation which exceeded their allocations or by spending required by existing law which exceeded estimated spending levels. This does not nurture a spirit of responsibility.

Recent practice differs significantly from the provisions of the Act concerning section 311 enforcement. The first budget resolution for fiscal year 1984 (H. Con. Res. 91) and the House-passed first budget resolution for fiscal year 1985 (H. Con. Res. 280) contain provisions, effective only for one fiscal year, to deal with the problem of distinguishing between legislation within a committee's allocation and legislation that would cause a committee's allocation to be breached. Section 5(b) of the conference report on the first budget resolution for fiscal year 1984 states that:

> Section 311(a) of the Congressional Budget Act of 1974, as made applicable by subsection (a) of this section, shall not apply to bills, resolutions, or amendments within the jurisdiction of a committee, or any conference report on any such bill or resolution, if—
>
> (1) the enactment of such bill or resolution as reported;
>
> (2) the adoption and enactment of such amendment; or
>
> (3) the enactment of such bill or resolution in the form recommended in such conference report;
>
> would not cause the appropriate allocation for such committee of new discretionary budget authority, new budget authority, or new spending authority as described in section 401(c)(2)(C) of the Congressional Budget Act of 1974 made pursuant to section 302(a) of such Act for fiscal year 1984 to be exceeded."

The purpose of this section is to ensure that legislation not exceeding the amounts assumed for current action in the budget resolution is not subject to procedural impediments for breaches of the spending ceilings beyond the committees' control. House Budget Committee Chairman Jones, in his explanation to the House of the conference substitute that was eventually adopted, made that point clear:

> The conference substitute further provides that enforcement against breaches of the spending ceiling under section 311(a) of the Budget Act would not apply where a measure would not cause a committee to exceed its appro-

priate allocation pursuant to section 302(a) of the Budget Act.

The intent of the section 302(a) discretionary budget authority and new entitlement authority subceiling provided in the proposed resolution is to protect a committee which has stayed within its spending allocation—discretionary budget authority and new entitlement authority—from points of order if the total spending ceiling has been breached because of reasons outside of its control.

The Act provides other enforcement mechanisms: deferred enrollment of all or certain measures and mandatory referral of an entitlement measure to the Appropriations Committees if it exceeds the appropriate allocation of new budget authority.

When a bill has passed both Houses, it is enrolled on parchment, signed by the Speaker, then by the President of the Senate, then presented to the President for signature. Deferred enrollment is a procedure by which bills that have passed both Houses are delayed in the enrolling process so that Congress might later agree on a concurrent resolution directing the enrolling clerk to make changes in the bills. Section 301(b)(1) permits the first budget resolution to require "all or certain" spending bills to be subject to deferred enrollment. It makes sense to require deferred enrollment in a first budget resolution if, through a second budget resolution and reconciliation, changes might be made in those bills. Without the real threat of such changes, deferred enrollment is not useful for enforcement nor is the mere threat of delay a strong deterrent.

The Act requires that certain entitlement bills be referred to the Appropriations Committees. Section 401(b)(2) of the Act reads in part:

> If any committee of the House of Representatives or the Senate reports any bill or resolution which provides new spending authority described in subsection (c)(2)(C) which is to become effective during a fiscal year and the amount of new budget authority which will be required for such fiscal year if such bill is enacted as so reported exceeds the appropriate allocation of new budget authority reported under section 302(b) in connection with the most recently agreed to concurrent resolution on the budget for such fiscal year, such bill or resolution shall then be referred to the Committee on Appropriations of that House with instructions to report it, with the Committee's recommendations, within 15 calendar days. . . .

Mandatory referral is a special procedural tool applicable to entitlements that exceed budget resolution targets. The Committee believes that excessive entitlement legislation should be subject to the same procedural constraints as other excessive spending measures. Moreover, mandatory referral requires the Appropriations Committees to act as watchdogs on spending provided in legislation reported by other committees; it thereby increases the probability of jurisdictional conflicts without apparent success in slowing the growth of entitlements. Finally, the Committee believes that a simple, straightforward system of controls is more durable than a

series of complicated procedural enforcement mechanisms. For these reasons, H.R. 5247 drops deferred enrollment and mandatory referral and streamlines the point of order procedure. The enforcement tools used instead are explained below.

Procedural Enforcement of New Legislation under H.R. 5247

Aggregate Levels.—H.R. 5247 retains a point of order (section 311) to protect aggregate levels in the budget resolution. H.R. 5247 also makes refinements to take care of the problems in the timing and target of the point of order and to conform this enforcement mechanism to other aspects of the bill.

First, under H.R. 5247, section 311 is applicable immediately upon adoption of the budget resolution in the spring. There is no open season in the summer, after the resolution is adopted and before the fiscal year begins, when the aggregates are not the basis for procedural constraints. Second, under H.R. 5247, section 311 protects levels of total new budget authority, total outlays, total entitlement authority, total credit activities and total revenue agreed to in the budget resolution. Those are all aggregates set in the budget resolution. Under the Act and current practice, section 311 protects only levels of total new budget authority, total outlays and total revenue. Third, under H.R. 5247, as in current practice, section 311 applies to a measure only if the committee of jurisdiction has exceeded its allocation for current discretionary action. Under the Act, a measure is subject to a point of order if it would cause the protected totals to be breached even if the pending measure is within the levels assumed for current legislative action.

Some members allege that the exception for legislation from committees within their allocation effectively eliminates control over aggregate levels. As noted above, the exception is in effect for fiscal year 1984. Section 311 has, nonetheless, applied to several measures providing budget authority for fiscal year 1984 including S. 529, the Immigration Reform Act, H.R. 3755, the Social Security Disability Amendments, H.R. 5172, National Bureau of Standards Authorization, and amendments to H.R. 5174, the Bankruptcy Court Act.

Committee Allocations.—To say that committees play a crucial role in the legislative process is to belabor the obvious. In the now familiar words of Woodrow Wilson, "Congress in session is Congress on public display, whilst Congress in committee is Congress at work." Under H.R. 5247, for the first time, committees are held strictly accountable for the budget impact of the legislation they report. Each committee with jurisdiction over new spending, credit or revenue (including tax expenditures) legislation assumed in the budget resolution is given an allocation to cover the committee's discretionary action. Consideration of any measure reported by a committee that would cause its allocation to be breached is subject to a point of order. On the other hand, if a measure would cause the totals in the resolution to be breached but the measure is within the reporting committee's allocation, it is not subject to a point of order.

The prohibition against consideration of measures applies only to legislation exceeding committee allocations. The Rules Committee considered procedural enforcement of subcommittee divisions but

believes that this would diffuse responsibility. Under H.R. 5247, committees are strictly accountable for conforming with the budget resolution adopted by Congress. They must report legislation that would not cause their allocation to be breached in order to be sure that their legislation will be considered.

The allocations to committees will consist of positive or negative amounts of new budget authority, new entitlement authority, other forms of new spending authority, new direct loan obligations, new primary loan guarantee commitments, revenues and tax expenditures. A negative allocation of new entitlement authority, for example, assumes the committee will report savings in entitlement legislation within its jurisdiction. The allocation may be the net of assumed increases and savings. Since allocations will be made on the basis of committee jurisdictions, allocations for discretionary actions on revenue and tax expenditures will be given to the Committee on Ways and Means in the House.

The Appropriations Committees will be allocated budget authority over which they exercise control. The amounts allocated to the Appropriations Committees will be equal to the amount assumed to be appropriated for programs with discretionary appropriations. The allocation excludes budget authority to cover entitlements and other mandatory items. Appropriations for those purposes are required by existing law and should not be attributed to current legislative activity even if funds must formally be appropriated each year. Committees with jurisdiction over permanent authority, such as entitlement or other spending authority specified in H.R. 5247, would be allocated only amounts estimated to result from anticipated changes in such permanent authority. They would not be allocated amounts to cover budget or entitlement authority under existing law for which no legislative changes are anticipated. This conforms with the current House practice of providing allocations of new entitlement authority to committees in allocations made pursuant to section 302(a) of the Act. Expanding the current House practice to cover other spending authority, credit activity, revenues, and tax expenditures where appropriate is consistent with the effort to establish control over these areas of the budget.

Allocations for discriminatry action do not include amounts of estimated outlays expected to result from amounts of budget authority, entitlement authority, other spending authority or credit activity. Congress does not directly control outlays when it enacts appropriation bills or other spending legislation. When Congress appropriates it provides budget authority or the authority to incur obligations, for example, authority to hire personnel or to contract for supplies. Budget authority is defined in the Act as, "authority provided by law to enter into obligations which will result in immediate or future outlays involving government funds." Outlays result from the actual obligation when payment is made. In other words, after Congress provides the authority to enter into the obligation and the executive branch incurs the obligation, the payment is made; that is, the personnel get their paychecks and the suppliers are paid for their deliveries. The timing of the payments (i.e., of outlays) depends on the type of obligation and, often, on a variety of external factors beyond the control of Congress including administrative decisions and the weather. In any particular fiscal year,

outlays will result from budget authority (or other authority) first effective that fiscal year and budget authority (or other authority) first effective in prior years.

The Committee maintains that if accountability is clearly assigned to the committees and they are allocated only amounts over which they have direct control, committees will act responsibly and points of order will not be waived.

The level of outlays, not the level of budget authority (in conjunction with the level of revenue) determines the deficit. Attention to outlays is important because reducing the deficit is vital now. As explained below, H.R. 5247 requires that more information than is required under the Act be timely provided on the outlays estimated to result from legislation under consideration. H.R. 5247 highlights this information.

The Committee believes, however, that more direct control of outlays is not possible and that procedural control is not desirable. Procedural enforcement of spending levels should be directed at the point of obligation, that is, budget authority, not at the point of payment. A reduction in the authority to incur obligations will eventually result in a corresponding reduction in outlays, though the savings will not be fully realized in the upcoming fiscal year. On the other hand, once the money is obligated, it is rarely appropriate to stop the outlays.

It has been argued that an allocation of outlays is necessary to control spending from certain trust funds (e.g., the Social Security trust funds). For these trust funds, budget scorekeeping conventions define budget authority as the revenue coming into the trust fund rather than as the amounts to be expended therefrom. The convention arises because the amounts going into the fund are by law available for obligations which will result in immediate or future outlays involving government funds. In these cases, however, budget scorekeeping conventions also define entitlement authority as the estimated amount of outlays. The allocation and control of entitlement authority provides control over expenditures from these trust funds without resorting to procedural controls on outlays.

Multiyear control.—H.R. 5247 provides for multiyear budgeting where it is appropriate. Committees that report legislation effective for several years or indefinitely will, where applicable, receive a total allocation for two years or a total for three years for amounts assumed from current legislative activity under the committee's control. If the allocation is for two years, the point of order applies only if the reported legislation would cause the two year allocation to be breached. If the allocation is for three years, the control is on the three year limit. In this way, Congress can experiment with multiyear budgeting and can more effectively control legislation with multiyear budgetary impact.

The report and joint statement accompanying a budget resolution will include the committee allocations. It is assumed that the Budget Committees will consult with the affected committees before making the allocations in order to ensure that programs, agencies and activities within committees' jurisdictions are handled in the most appropriate manner. Single year allocations for discretionary action seem most appropriate for the Appropriations Com-

mittees. Assumed new entitlement and revenue measures phasing changes in over several years are better suited to two or three year allocations.

To provide for multiyear allocations and scorekeeping, H.R. 5247 provides that estimates of new entitlement authority shall be measured as the cost or savings entailed by legislation, based on changes to be made in entitlement law in effect at the time of consideration of the legislation. The estimate would cover the cost or savings provided by the new legislation in each year it is effective and for which an allocation was made, not just for the year in which the legislation is first effective. This provides a more representative estimate of the actual costs of measures which first go into effect at the end of one fiscal year, but remain in effect for several years or indefinitely beyond the fiscal year.

Strengthened Reconciliation

H.R. 5247 provides that the budget resolution shall include reconciliation directives to committees to report legislation necessary to achieve the objectives set in the budget resolution. While committee reporting deadlines for reconciliation legislation will be included in the reconciliation directives, as is current practice, H.R. 5247 provides a deadline for completing action on the required reconciliation legislation in each House. In the House, consideration of a July 4th District Work Period Resolution will be prohibited until action on reconciliation is completed. In the Senate, the deadline will be August 15.

The Congressional Budget Act Amendments of 1984 strengthens the reconciliation process in several ways. H.R. 5247 provides that reconciliation may be directed to changes in levels of budget authority, entitlement authority and other spending authority, credit activities, revenues and tax expenditures. The Act directs reconciliation against new budget authority, budget authority initially provided for prior fiscal years, entitlement authority and revenue. H.R. 5247 also provides for reconciliation to direct committees to report legislation changing levels for one year, two years or three years. This is consistent with including in the budget resolution numbers for planning purposes for each of the two outyears beyond the budget year. In current practice, outyear numbers are included in a budget resolution and reconciliation directives often specify amounts for each of the two outyears. The more simple and straightforward the system of controls the more durable; for that reason, the Committee recommends a two year or three year total recommended savings to be specified in reconciliation directives to committees rather than separate amounts for each year. Finally, H.R. 5247 explicitly states that, in the House, the rule for consideration of reconciliation legislation may make in order an amendment to achieve changes directed by the budget resolution if a committee fails to recommend legislation according to instructions. The Committee hopes that House Rules Committees in future Congresses will work with the leadership, the committee of jurisdiction and the Budget Committee to ensure the House an opportunity to vote on legislation implementing deficit reductions directed by Congress in a budget resolution.

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New Spending Authority

The Congressional Budget Act of 1974 prohibits consideration of certain legislation which provides contract authority or borrowing authority, unless that authority is effective only to the extent provided in appropriation acts. This provision does not apply to contract or borrowing authority enacted before 1975 or to four types of programs explicitly exempted from this prohibition: social security trust funds; trusts funds which are 90% or more self-financed; certain government corporations; and gifts to the United States. H.R. 5247 maintains this prohibition against consideration of bills, resolutions or amendments thereto providing contract and borrowing authority and extends the prohibition to cover consideration of conference reports.

The prohibition was intended to prevent the enactment of legislation which would authorize agencies to enter into contracts or borrow funds for agency use without any constraint from the congressional budget process or any review through the annual appropriations process. It would have done little good to impose limits on budget authority and entitlement authority if other forms of Federal obligation were available to be used without restriction.

While the annual figures on borrowing authority are volatile, overall figures show that the prohibition has increased the percentage of total borrowing authority that is available through the appropriations process. The prohibition has been effective in limiting the amount of backdoor borrowing authority. From 1932 through 1975, Congress authorized Federal agencies to borrow more than $160 billion dollars, only about $20 billion of which was provided for by the appropriations process. Only 12.5% of the borrowing authority available in that period (1932–1975) was made available through current action by Congress, the rest was backdoor borrowing authority. By contrast, in the period from fiscal year 1981 through fiscal year 1983, federal agencies had $51.4 billion in borrowing authority, of which $16 billion, or 31.2% came through the appropriations process.

BORROWING AUTHORITY AVAILABLE THROUGH CURRENT ACTION AND AVAILABLE WITHOUT CURRENT ACTION

(In billions of dollars)

Description	Fiscal year—			Total
	1981	1982	1983	
Borrowing authority made available through current action of Congress	10.2	4.9	9	16.0
Borrowing authority available without current action by Congress	2.8	10.7	21.9	35.4
Total borrowing authority	13.0	15.6	22.8	51.4

In the normal course of events, appropriations precede obligations. When Congress provides contract authority, however, the obligation is incurred first and the appropriation is made only when money is needed to liquidate the obligation. When contract authority is limited to the extent provided in appropriation acts, there are no special problems of budget control. Appropriation bills first provide the contract authority and later appropriation bills provide

the liquidating cash. Contract authority is a useful funding device for construction programs which require long leadtime. For example, contract authority enables State and local governments to begin preliminary work on federally assisted public works programs by ensuring that funds will be forthcoming in future years to "liquidate" contract authority. Contract authority can be provided in appropriation acts. When it is not, however, Congress loses some measure of budgetary control. Some contend that "the only purpose of going backdoor is to skirt appropriations control." ("Congressional Control of Expenditures," January 1977, Committee Print 95-1, House Committee on the Budget).

As noted above, the Act prohibits consideration of legislation providing new contract authority not limited to the extent provided in appropriation acts. Existing contract authority and four types of programs were exempted including ninety-percent self-financed trust funds. This exempts new backdoor contract authority provided for highway trust fund, airport and airway trust fund and foreign military sales trust fund purposes.

Prior to the Budget Act, almost all contract authority was provided through backdoor mechanisms, not through the appropriations process. The table below compares current contract authority with permanent contract authority provided in fiscal years 1970, 1972 and in recent years. In FY 1970 and 1972, combined current authority was $2.8 billion, while permanent authority was $18.2 billion; current authority was 1.3% of total contract authority. For fiscal years 1981-1983, current authority was 48.2% of total contract authority, or $61.9 billion of $128.5 billion:

CONTRACT AUTHORITY AVAILABLE THROUGH CURRENT ACTION AND WITHOUT CURRENT ACTION

[In billions of dollars, fiscal years]

Description	1970	1972	1970 and 1972 total	1981	1982	1983	1981-83 total
Contract authority available through current action by Congress	1.4	1.4	2.8	31.0	12.9	18.0	61.9
Contract authority available without current action by Congress	7.8	10.4	18.2	24.8	21.7	20.1	66.6
Total Contract authority	9.2	11.8	21.0	55.8	34.6	38.1	128.5

The Budget Act has effectively stopped all but exempted backdoor contract authority, as the table below shows. In recent years, most contract authority has been provided in appropriation acts. Moreover, *all* backdoor contract authority provided in fiscal years 1981-1983 was for programs funded by ninety-percent self-financed trust funds:

CONTRACT AUTHORITY PROVIDED OR RESCINDED

[In millions of dollars]

	Fiscal year—		
	1981	1982	1983
Frontdoor contract authority:			
Provided (or rescinded) in appropriation acts:			
Uranium supply and enrichment activities	411	—	—

CONTRACT AUTHORITY PROVIDED OR RESCINDED—Continued

[In millions of dollars]

	Fiscal year—		
	1981	1982	1983
Subsidized housing	30,170	12,215	8,340
National Park Service—land acquisition (recission)		−30	−30
Repeal of helium fund (recission)	−48		
Highway related safety grants			[1] −10
Total provided in appropriation acts	30,533	12,185	8,300
Backdoor contract authority:			
Provided (or rescinded) in acts other than appropriation acts:			
Grants-in-aid for airports	450	450	800
Federal-aid highways		425	7,789
Trust fund share of highway safety programs		−173	25
Recreational boating safety			49
Highway—interstate transfer grants			257
Highway related safety grants (recission)			[2] −10
Urban mass transportation fund			779
Total backdoor contract authority	450	702	9,689
Total contract authority	30,983	12,887	17,989

[1] The transportation appropriation bill for fiscal year 1983, Public Law 97-369, rescinded carryover balances of contract atuhority ($10,000,000) available after the start of fiscal year 1983.

[2] The Surface Transportation Assistance Act of 1982, Public Law 97-424, rescinded carryover balances of contract authority ($10,000,000) available before the start of fiscal year 1983. Because the act was enacted during fiscal year 1983, the recission is scored as affecting fiscal year 1983 contract authority.

H.R. 5247 also establishes barriers against other forms of backdoor spending. It prohibits consideration of provisions of legislation that provide monetary credits or residual spending authority, unless that legislation also limits the use of that authority to the extent provided in appropriation Acts. H.R. 5247 retains the exemptions of Social Security Trust Funds, other ninety-percent self-financed trust funds, government corporations and gifts to the United States from the restrictions on backdoor spending, as noted above. H.R. 5247 exempts these programs from the provisions restricting additional forms of backdoor spending.

The prohibition against monetary credits in H.R. 5247 applies to legislation which authorizes government agencies to obtain property, mineral rights, or goods or services from private individuals or corporations in exchange for a reduction in payments due the federal government from the individual or corporation. For instance, the Rattlesnake National Recreation Area and Wilderness Act of 1980 (P.L. 96-476) and the Cranberry Wilderness Act of 1983 (P.L. 97-466) provide for the federal government to acquire mineral rights by offering credits to be used to reduce payments owed to the United States Government. The Rattlesnake Act allows these credits to be used, during the first three years of the Act, as payment in competitive coal lease sales or modifications and to be used, after the first three years, "as a credit against any royalty, rental or advance royalty payments owed to the United States on any Federal coal lease(s) it may hold" (section 4(b)(3)). Section 4(c)(2)(b) of the Cranberry Act provides that the monetary credits may be used against that portion of payments owed the United States and retained by the Federal government "on any mineral,

oil, or gas lease or other Federal property competitively won or otherwise held by the applicant, its successors, or assigns. The monetary credit may be transferred or sold at any time by the owner . . ."

Monetary credits currently escape any congressional budget process review since they do not affect revenues or budget, credit or entitlement authority as defined in the Act. Such legislation has a definite effect on the Federal budget, however, since reductions in payments due the Federal government increase the deficit as much as the same amount of outlays.

The prohibition against residual spending authority applies against legislation providing the authority to make payments (including loans, grants and payments from revolving funds) other than the types of spending authority specifically described elsewhere in the Act as amended by H.R. 5247. Residual spending authority does *not* include contingent liabilities.

Situations will arise, of course, in which backdoor spending authority will be the most appropriate form of financing certain Federal activities. In such circumstances, the legislative committee can seek a rule waiving the prohibition. A waiver would seem appropriate only if the funding mechanism is the best way to achieve a particular result desired by Congress. Even in those cases, as explained below under "Information", Members will be apprised that the legislation contains an unusual funding mechanism.

These prohibitions establish a burden of proof early in the legislative development of backdoor financing mechanisms. This is necessary because once backdoor financing mechanisms are established in law, the programs and activities so financed are removed from regular budgetary review. To reduce spending resulting from the mandate of current law is very difficult. Congress is only now developing reconciliation as a tool for this review. The Committee believes that backdoor financing techniques, where appropriate, should be justified and approved on a case-by-case basis before a waiver is approved. On the whole there should be a strong presumption in favor of funding Federal activities through the appropriations process.

Information

Pending Measures.—Under H.R. 5247, reports accompanying revenue, spending and credit measures must include a comparison of levels provided by the measure with levels agreed to in the budget resolution and with allocations and subdivisions for discretionary action made pursuant to section 302. For the first time, this information is also required for reports agreed to by conferees. The information must be contained in the conference report or at least made available to Members no less than two hours before consideration of conference reports.

H.R. 5247 does not provide for procedural enforcement at the subcommittee or program level, only at the committee level. H.R. 5247 also does not provide for procedural enforcement of levels of outlays for discretionary action at the committee level. (It does retain enforcement at the aggregate level for outlays.) However, H.R. 5247 establishes new provisions to require comparisons of amounts of spending, credit or revenues provided by pending meas-

ures with levels set in subcommittee or program level divisions. This provides Members with information on the targets each committee sets for itself and allows Members to see for themselves whether, with adoption of the pending measure, the committee will likely stay within their allocation for discretionary action. For the first time, section 308 of the Act, as amended by H.R. 5247, also requires comparisons of outlays expected to result from the measure with outlay targets.

The new section 308 also requires comparisons of the level provided by the pending legislation with levels provided by law in the preceding fiscal year and with levels requested by the President for the fiscal year under consideration. This also enables Members to make decisions on legislation in full awareness of the budget impact of the legislation.

Scorekeeping and Status Reports.—The essence of the system of controls under H.R. 5247 is committee accountability. For committees to act responsibly, they need regular, up-to-date tabulations of congressional action comparing levels provided in reported or adopted measures with the aggregate and functional totals set in the budget resolution, and with allocations for discretionary action. H.R. 5247 requires the Congressional Budget Office to provide this information to committees at least monthly.

Reports on pending measures contain information that Members must have to understand the budget impact of the individual measure. To provide an overall context, however, Members also need regular, up-to-date tabulations of all congressional budget action. H.R. 5247 requires, for the first time, the Budget Committees to make available at least monthly summary status reports based on the Congressional Budget Office tabulations. In the House, the summary status reports will be submitted to the Speaker and printed as House documents. Much information is currently disseminated by the Budget Committees, but Members are not always aware of its availability. Requiring regular monthly reports to be printed as House documents should provide ready access to this vital information about the implementation of the budget plan.

The applicability of points of order depends on levels of spending, credit or revenues provided in a pending bill or resolution. The levels provided by legislation are estimated on the basis of scorekeeping rules and practices. H.R. 5247 provides that the Budget Committees will make any necessary estimates. It is essential that authority for such determinations shall not be dispersed or left vague. Some check or balance, however, is required to ensure wide acceptance and credibility of the estimates and of the scorekeeping system on which they are based. H.R. 5247 provides that a Member User Group, appointed by the Speaker after consultation with the Minority Leader, will review scorekeeping rules and practices from time to time. This will provide a forum for differing views to be considered on scorekeeping issues with program and policy implications. It also provides an institutional mechanism for resolving such issues.

Backdoor Financing.—H.R. 5247 establishes several requirements for information to supplement the prohibition against legislation providing new backdoor financing. To improve congressional understanding of the various kinds of existing backdoor mechanisms, the

General Accounting Office is required to submit a report on this subject to Congress within eighteen months after H.R. 5247 becomes effective and to revise that report from time to time. The Congressional Budget Office is required to incorporate descriptions of financing mechanisms in its cost estimate reports on legislation. Finally, committee reports are required to identify and justify any backdoor financing provisions contained in the reported legislation.

Congressional Budget Office Cost Estimates and Baseline.—The Committee finds two ways to make better information available during consideration of budget resolutions. First, the Rules Committee should continue its policy of requiring Congressional Budget Office cost estimates based on the same economic assumptions as were used to estimate the cost of the budget resolution for all proposed amendments to the budget resolutions. Cost estimates based on the same economic assumptions provide Members with the information needed to assess the different priorities implied by different budget proposals. It does not preclude Members from arguing that the economic impact would be different if the amendment they offer were adopted.

Second, H.R. 5247 provides a definition of baseline projections. Early each year, the Congressional Budget Office provides baseline budget projections. These are intended to show what the level of Federal revenue, budget authority and outlays would be in future years if current policies were continued without change. The budget projections are used by the Budget Committees to develop the budget resolution and are often used in debate on the budget resolution and on appropriation bills. Questions have arisen in recent years about the special methods used for projecting defense spending.

In the appendix to its February, 1984 *Baseline Budget Projections for Fiscal Years 1985-1989,* the Congressional Budget Office explains "the basic methodology for projecting the different types of spending—direct spending programs and discretionary appropriations. . . ." Direct spending is spending that is mandatory under existing law. To change spending levels for these programs, current law must be changed. The Congressional Budget Office explains that—

> the baseline spending projections for these programs assume that existing law at the close of the last session of the Congress will continue unchanged, and that future spending will respond to assumed economic and population changes in essentially the same way as in the past.
>
> Temporary cost-saving provisions enacted in omnibus reconciliation legislation in 1981 and 1982 are assumed to expire as scheduled in law. . . . The projections do not assume any cost-saving provisions contained in 1983 reconciliation bills but not yet enacted into law.

The remainder of Federal spending requires annual appropriations. For that spending, the Congressional Budget Office explains:

> The fiscal year 1984 spending level assumed for these programs is that enacted by the Congress through December 1983. The 1985–1989 projections for the appropriated

> accounts represent a continuation of the policies and program levels embodied *in the 1984 appropriation action.* . . . Future budget authority for these accounts is generally assumed to stay constant in real terms—that is, to keep pace with a measure of inflation appropriate to the particular budget account.

The description above applies to discretionary appropriations other than defense. For defense spending, the baseline projections of budget authority for fiscal years 1985 and 1986 are the figures specified in the fiscal year 1984 budget resolution. It should be noted that levels agreed to in the budget resolution for defense were higher than levels provided in appropriation bills. The 1987–1989 budget authority baseline projections assume an annual increase of 5 percent in real terms. In the Congressional Budget Office long-run assumptions used to calculate projections for most nondefense discretionary spending, "real growth averaging 3.5 percent annually from 1985–1989 is projected." The Congressional Budget Office also provided two alternative projections for defense spending other than the baseline projection for defense spending explained above. The first alternative, like the baseline projection for defense but unlike the baseline projections for all other discretionary appropriations, uses budget resolution levels rather than levels provided in appropriation bills. In the first alternative, the inflation adjustment for defense spending in future years is based on projected inflation levels. Inflation adjustments for other discretionary appropriations are made in a similar manner but the baseline projection for defense spending is not. The second alternative uses neither the levels provided in the budget resolution nor the levels provided in appropriation bills. Instead, it is "a programmatic defense projection" showing the funding necessary to support a specific five-year defense force structure and procurement program "implicitly assumed in the previous session of Congress." Neither of the alternatives, only the baseline projection for defense spending, is used in developing baseline projection totals.

The Committee believes that differential treatment for defense spending is inappropriate to the aims of baseline budget projection. Projections should provide a neutral baseline for discerning the costs of continuing current policies. The Committee recognizes that the distinction between types of funding—mandatory spending and discretionary appropriations—is necessary. If discretionary appropriations were projected based on the proper assumption for mandatory spending, namely, that current law will be unchanged, all discretionary appropriations would be projected as zero since current law discretionary appropriations expire before the start of the next fiscal year. Using historical trends for the relation between budget authority and outlays or for inflation factors that are different for different functions of the budget is also reasonable and appropriate. However, using appropriated amounts for some and budget resolution levels for other discretionary appropriations is not consistent or fair. To ensure that spending projections are consistent and objective, section 302(c) of H.R. 5247 provides:

> Baseline projections of permanent authority prepared pursuant to this section, included but not limited to reve-

nues, tax expenditures, entitlements (including appropriated entitlements), other mandatory spending, and credit authority shall assume that current laws continue unchanged, except for the extension of temporary provisions for which continuation is routine. Baseline projections of discretionary appropriations shall assume a continuation of current year funding with an adjustment for inflation.

EXPANDED COVERAGE

SUMMARY

The Committee believes that the documents used by Congress for budget decisions should provide a complete picture of Federal financial activities. The Committee finds three reasons to advocate a budget that is comprehensive of the full range of Federal financial commitments: (1) to facilitate decisions on overall fiscal policy and national budget priorities, (2) to ensure that some programs are not disadvantaged by the process of decisionmaking and (3) to encourage trade-offs among spending programs, credit activities and tax expenditures with similar objectives.

Specifically, H.R. 5247 provides that:

—Budget resolutions shall include aggregate and functional levels of credit activity (direct loan obligations and primary loan guarantee commitments);

—Budget resolutions shall include the recommended amount by which the level of tax expenditures should be increased or decreased;

—By February 15 of each year, Congressional Budget Office shall submit an inventory of current tax expenditures for purposes of the congressional budget process;

—Credit and tax expenditure legislation shall be subject to the same system of controls as shall spending measures: discretionary action allocations shall be made to the committees of jurisdiction and points of order shall ensure that Congress does not consider legislation that would cause the committee's allocation to be exceeded;

—Existing credit programs and tax expenditures shall be subject to reconciliation;

—Measures providing new credit authority shall be subject to a point of order unless the credit authority is limited to amounts provided in appropriations acts;

—Changes shall be made to the budget treatment of Federal Financing Bank financing for credit activity;

—All federal entities currently off budget or currently scheduled to go off-budget shall be on budget; because of their independent status, the U.S. Postal Service and the Board of Governors of the Federal Reserve System shall continue to be partially excluded from the unified budget; and

—Any measure taking a Federal agency off budget shall be subject to mandatory referral to the Government Operations Committee. That Committee shall have jurisdiction to report amendments changing or striking the provisions affecting an agency's or activity's budget status.

EXPLANATION

Credit

The Federal government provides credit assistance in order to promote many different public policy objectives, from supporting crop prices to helping finance home mortgages, small businesses, and foreign military sales.

The Committee believes that credit activity should be accurately reflected in budget resolutions and that it should be subject to the same rigorous scrutiny as other forms of spending. The Committee recognizes that great strides have been taken in this direction and H.R. 5247 builds on current practice.

Federal credit activity, however, has grown very rapidly in the last ten years. Annual credit activity (new direct loan obligations and new primary loan guarantee commitments made each year) grew 277 percent from $36.8 billion in fiscal year 1974 to $138.6 billion in fiscal year 1983. Direct loans outstanding (not including credit provided through privately owned, government-sponsored enterprises) increased 239 percent, from $14.4 billion to $49.4 billion. The federal participation rate (ratio of federal net lending to total funds advanced in U.S. credit markets) increased from 8 percent to 13 percent between 1974 and 1981. Given this rate of increase, the Committee believes credit activity should be controlled.

Current practice.—In current practice, Federal credit is accounted for in two different ways. First, direct loan disbursements by on-budget agencies are included, on a net basis, in budget authority and outlay totals. Loan guarantees as such are excluded from the definitions of budget authority and spending authority. Budget authority and outlays resulting from loan guarantees appear only when defaults are recorded and the government must make good on its guarantee.

The volume of new credit activity is not fully represented under this approach because off-budget direct loans ($4.7 billion in fiscal year 1983) are excluded, the netting of new loans with repayments of old loans understates the annual amount of credit activity, and loan guarantees do not appear in the budget until they are beyond congressional control.

Second, in recent years, a separate credit budget has been included in congressional budget resolutions and in the President's budget documents. This credit budget accurately reflects the volume of new credit activity by including all new direct loan obligations and loan guarantee commitments and credit activity by off-budget entities. A separate credit budget, however, is not required by law of the President or Congress.

Presently, the credit budget is advisory. Congressional budget resolutions often express the sense of Congress that credit activity should be limited through the appropriations process, but there is no requirement that new credit programs be subject to limitations set in appropriation acts. There are no procedures in place to enforce the levels set forth in the most recent budget resolution. There are no procedures to ensure that Congress, when considering legislation providing new credit activity, knows how much credit activity is provided nor how the levels provided in the legislation compare with the levels set forth in the most recent resolution. No

point of order lies against measures providing credit activity in excess of the levels set forth in the most recent resolution.

Strengthening Credit Controls.--H.R. 5247 requires that a credit budget be included in congressional budget resolutions and adds enforcement procedures to make controls on credit activity parallel to controls on spending.

In particular, H.R. 5247 requires that an allocation for the amount of increase or decrease in the level of credit activity assumed in the budget resolution will be given to each committee of jurisdiction. Credit legislation must be accompanied by a statement comparing the levels of credit activity provided by that legislation to the levels set forth in the budget resolution. If enactment of a credit measure would cause the committee's allocation to be exceeded, it will not be in order to consider the measure. (See "Strengthened Controls")

H.R. 5247 also requires that legislation providing credit authority is subject to a point of order unless the credit authority is limited to an amount provided in appropriation acts.

The Federal Financing Bank

The Federal Financing Bank (the FFB) was created to coordinate Federal and federally assisted borrowing. Before the FFB was created, agency securities were sold in the credit markets by the agencies themselves. The agency securities competed with Treasury securities, driving up the interest rate the government would pay and creating problems for overall debt management policies. The FFB now serves as a financial intermediary to finance obligations issued, sold or guaranteed by Federal agencies so that they do not borrow individually in the credit market. There is no doubt that the FFB has been extremely useful in this coordinating role. It has saved the Federal government significant amounts in interest costs.

Under current practice, the FFB disburses loans directly to borrowers in some cases when the loans are guaranteed by another Federal agency. The Federal agency maintains responsibility for servicing the loans and operating the program. In effect, the agency's guarantee program becomes a government direct loan program. Loans made by a Federal agency are also attributed to the FFB when the FFB purchases loan assets (such as certificates of beneficial ownership) from the Federal agency. Under current practice the associated outlays are transferred from the originating agency to the FFB. Because the FFB is off-budget this takes the outlays off-budget although the originating on-budget agency maintains responsibility for servicing the loans and operating the program.

The FFB purchases direct loans and loan guarantee obligations from on- and off-budget agencies. The Rural Electrification Administration and Rural Telephone Bank sell more loan assets than any other off-budget entities. On-budget agencies that sell to the FFB include Farmers Home Administration, Housing and Urban Development, NASA, and the Tennessee Valley Authority Seven States Energy Corporation. Loan assets are also sold to the FFB from Funds Appropriated to the President for foreign military sales credits.

H.R. 5247 changes the budget treatment of the FFB. Specifically, H.R. 5247 provides that receipts and disbursements of the FFB with respect to obligations issued, sold or guaranteed by a Federal agency shall be treated as a form of financing that agency. Also amounts of loans financed by the FFB and guaranteed by another Federal agency will be included as outlays of the guaranteeing agency. These changes will not diminish the role of the FFB. H.R. 5247 changes only the accounting of the activity of the FFB.

The Committee believes that the Federal Financing Bank performs an invaluable service by coordinating Federal and federally assisted borrowing and by reducing the long term interest cost to the Treasury. The committee is concerned, however, that the current budget treatment of the FFB obscures the amount and purposes of Federal credit activity.

H.R. 5247 will ensure that the credit budget accurately reflects the volume of new credit activity.

Tax Expenditures

Special provisions of the tax code benefitting select groups of taxpayers or encouraging certain economic sectors are a large and growing part of the federal budget. The Committee believes that the budget process must take account of these tax expenditures and that tax expenditures should be subject to controls just as are other forms of federal financial activities. By focusing control on the incremental change rather than the sum total of tax expenditures, the Committee bypasses technical problems associated with measuring aggregate revenue loss.

Current practice.—The tax code provides numerous credits, deductions, deferrals, exclusions, exemptions and preferential rates allowed some taxpayers in specified circumstances. Some of these provisions simply define and measure net income subject to tax. Examples include the standard deduction, the basic personal exemption and deductions of certain business expenses as the cost of earning income. But special provisions have also been introduced. These are intended to achieve specific objectives either by aiding a select group of taxpayers or by encouraging certain forms of economic activity.

The Act defines tax expenditures as the revenue loss from these special provisions. Tax expenditures increase the deficit just as outlays add to the deficit. Tax expenditures direct money away from the Treasury and towards particular economic activities or sectors or groups of taxpayers. Tax expenditures often share the same objectives as direct spending and credit programs. For example, both the federally funded Medicare program and tax code provisions allowing a partial deduction of medical expenses are intended to benefit individuals who need medical care. Eligible businesses benefit from both federal loan programs and tax exempt bond provisions. State and local governments benefit from grant programs and from their ability to borrow at tax-exempt rates. In these respects, tax expenditures affect the federal budget and the economy as a whole in much the same way as direct spending programs.

The annual report of the Secretary of the Treasury for fiscal year 1968 contained the first tax expenditure budget. It included 50 items. Since then, the number of tax expenditures has more than

doubled. The list of tax expenditures for fiscal year 1984 produced by the Joint Committee on Taxation and the Congressional Budget Office contained 108 tax expenditures. It is more difficult to measure tax expenditure growth in dollar amount because the arithmetic sum total of individual revenue loss estimates may be misleading. In absolute terms, however, the sum total of tax expenditures grew more than 600% from fiscal years 1968 to 1983, from $36.6 billion to $290.3 billion. By comparison, total outlays increased 354% in the period, from $178.1 to $808.3 billion. Relative to GNP, tax expenditures grew from 4.4% of GNP to 9.0%; outlays increased from 21% to 25%. Given this rate of growth, the Committee believes that controls on tax expenditures are necessary if Congress is to deal effectively with the deficit crisis.

In certain functional categories of the federal budget (for example, energy, general purpose fiscal assistance, and housing), the federal financial commitment through tax expenditures exceeds the commitment through outlays. Tax expenditures for housing are more than four times the related amount in budget outlays. In other functions, the growth in federal influence has been far greater on the tax than on the spending side. For example, since 1974, tax expenditures in the natural resources and environment functional category have increased more than 800%; the related budget outlays grew by less than 150%. The Committee recommends that measures be taken to encourage review of tax expenditures and to promote better coordination among tax expenditures, spending programs and credit activities serving similar public policy objectives.

The Congressional Budget Act of 1974. defines "tax expenditures" and "tax expenditures budget." It requires the President to submit a tax expenditures budget with his annual budget documents. It requires the Budget Committees to include five-year budget projections of tax expenditures by major functional category in the report accompanying a budget resolution. The Act also requires special information to be provided in reports accompanying tax expenditure legislation.

The budget resolution, under the Act, sets a floor for the total level of revenue. There are no procedures, however, specifically aimed at controlling tax expenditures. A measure increasing tax expenditures might lower the level of total revenue below that floor. In that case, the measure would be vulnerable to a point of order, but there are no direct controls on tax expenditures.

Recommended Controls on Tax Expenditures.—H.R. 5247 controls tax expenditure legislation and focuses attention on incremental changes in the level of tax expenditures.

Specifically, H.R. 5247 requires that CBO provide Congress, at the beginning of each year, an inventory of tax expenditures for purposes of the congressional budget process. CBO will also continue to report on five-year budget projections for tax expenditures as required by the Congressional Budget Act of 1974. The Joint Committee on Taxation currently provides an estimate and five-year projection of revenue loss from tax expenditures at the beginning of each year. It is assumed that the Joint Committee on Taxation and CBO will continue to work together on these matters.

The budget resolution will contain the amount, if any, by which the level of tax expenditures should be increased or decreased. This

is a ceiling on tax expenditure changes. Congress enforces the ceiling in the same manner that it controls the levels of federal spending and credit. H.R. 5247 permits reconciliation directives on tax expenditure legislation. In addition, the tax committees receive an allocation for discretionary action on tax expenditure legislation. The discretionary action allocation is a net figure. The tax committees would receive a positive allocation if the resolution assumes a net increase in tax expenditures from new legislation. This creates a ceiling on the amount to be lost in revenue from new tax expenditure legislation. A measure would not be in order if it would cause the allocation for discretionary action on tax expenditures to be breached.

On the other hand, if Congress wants a net reduction in tax expenditures, the tax committees would receive a negative allocation. This limits new tax expenditures or expansions of existing tax expenditures. A measure reducing tax expenditures less than the full amount to meet the committee's allocation would not be subject to a point of order since further reductions may be contained in legislation to be reported. Measures providing a net increase would be subject to the point of order until enough reductions have been made to make room for the increase. Existing conventions on spending allocations and controls are comparable.

The language of H.R. 5247 makes clear that only action taken directly on tax expenditures is to be counted toward the tax expenditure allocation. A reduction in overall rates would indirectly decrease the amount of revenue lost through tax expenditures. A recommended change in the level of tax expenditures, however, reflects assumptions about action taken directly on tax expenditures given existing tax rates. Enforcement should be based on legislative changes made directly to tax expenditure provisions. This too is consistent with current scorekeeping conventions for spending measures. On the other hand, changes in tax expenditures do affect the level of total revenue and, for scorekeeping purposes, should count in determining whether the legislation would cause that level to be breached. By the same token, changes in entitlement law affects the level of total outlays and, for scorekeeping purposes, such changes are counted. Some spending committees receive an overall outlay allocation and a new entitlement authority allocation though the overall outlay target includes outlays flowing from entitlements. For a committee to meet its entitlement authority target, however, only action on entitlements count.

While H.R. 5247 focuses attention on controlling tax expenditures, it also provides flexibility to the tax committees. The budget resolution provides general directions on tax expenditures. The resolution does not include a functional allocation of tax expenditures and it does not specify the particular changes to be made. Only the amount and direction of change is specified. Given the variety of tax expenditures, the tax committees will have many choices in the ways they can comply with reconciliation directives and limits on the amount of direct legislative change in the level of tax expenditures.

Measuring tax expenditures.—H.R. 5247 minimizes technical problems associated with measuring revenue loss by focusing on incremental changes.

Revenue loss is measured by comparing the revenue raised under current law with the revenue that would be raised if the particular provision had not been enacted. The estimates made for individual tax expenditures cannot simply be added together since revenue loss estimates measure only the isolated effect for each provision. The combined revenue loss may be more or less than the arithmetic sum of individual revenue loss estimates, depending on the effects of interaction among the special provisions and other provisions of the tax code. The effects of interaction can be calculated if the number of provisions is limited. The Committee's approach presents no special problems of measurement. The CBO report on tax expenditures, November 1982, explained:

> These problems with the aggregate number essentially fall away if the focus is shifted from controlling the total of tax expenditures to controlling the incremental changes to that total. If a budget resolution specified that tax expenditures were to be increased or decreased by $5 billion, the only question would be whether the provisions reported out by the tax-writing committees had that effect. This is the kind of estimate on which Congress relies all the time in considering tax legislation.

Identifying tax expenditures.—Section 3(3) of the Congressional Budget Act defines "tax expenditures" as those revenue losses attributable to provisions of the Federal tax laws which allow a special exclusion, exemption, or deduction from gross income or which provide a special credit, a preferential rate of tax, or a deferral of tax liability."

Provisions that simply reflect the standard definition of income or of taxable income (e.g., the deductibility of employee business expenses) are not considered special and thus are not tax ependitures. Tax expenditure budgets have been prepared on the basis of this definition since 1967.

Although the Administration and Congress both use the definition of tax expenditures found in the Congressional Budget Act of 1974, some differences have distinguished the Administration's tax expenditure budget from Congress' in recent years. The Administration used general "reference tax rules" in its fiscal year 1984 budget to identify the "special" provisions, whereas the Joint Committee on Taxation and the Congressional Budget Office continue to use the "normal tax structure." Despite different methods of identifying tax expenditures, there is substantial agreement on application. In the fiscal year 1985 budget there were only three provisions in dispute out of approximately 108.

H.R. 5247 requires the Congressional Budget Office to provide annually an inventory of existing tax expenditures. For purposes of congressional enforcement procedures, described in further detail in "Strengthened Controls," the annual inventory will serve as the list of existing tax expenditures. This mitigates the importance of complete agreement between the Administration and Congress.

Tax expenditure budgets have been prepared and publicly examined since 1967. The Department of the Treasury, the Office of Management and Budget, the Budget Committees, House Ways and Means Committee, Senate Finance Committee, Joint Committee on

Taxation and the Congressional Budget Office have all been involved at least since the fiscal year 1976 budget. By contrast, the separate credit budget first appeared in the fiscal year 1981 budget. The Committee believes that Congress has had sufficient opportunity to experiment with controls on tax expenditures. It is time to act.

Off-Budget Federal Entities

Off-budget Federal entities are owned and controlled by the Federal government but their financial activities are excluded, by statute, from the totals in the unified budget submitted by the President. While the Congressional Budget Act of 1974 does not specifically provide for the treatment of off-budget Federal entities, budget resolutions do not include the activities of off-budget federal entities in determining total spending. The authority for this practice is found in the joint explanatory statement accompanying the conference report on the Congressional Budget Act of 1974 (H. Rept. No. 93-1101) which states:

> The managers intend that the definition of "budget outlays" and "budget authority" for purposes of the congressional budget process be the same as the one used for the executive budget and that any item which is excluded from the executive budget may be excluded from any specification of budget outlays or budget authority in the congressional budget process.

The Budget Committees have complied with this intent.

Currently, off-budget entities are: the Federal Financing Bank, the Rural Electrification Administration, the Rural Telephone Bank, the Strategic Petroleum Reserve Petroleum Account, the United States Synthethic Fuels Corporation, the United States Railway Association, all but the net profits of the Board of Governors of the Federal Reserve System and all but the federal reimbursements and subsidy to the U.S. Postal Service. In addition, under the provisions of P.L. 98-21, the Social Security Amendments of 1983, the Federal Old-Age and Survivors Insurance, Disability Insurance and Hospital Insurance Trust Funds will be excluded from budget totals beginning in fiscal year 1993.

The Committee believes that all Federal financial activities should be included on budget. Off-budget Federal entities have the same impact on the economy and the same relation to the Federal government as do Federal agencies whose financial activities are included in the unified budget submitted by the President. It is an advantage to be excluded from budget totals in times of deficit crisis. Reductions in spending from an off-budget entity do not reduce the visible deficit even though there is no economic reason to distinguish the off-budget deficit from the on-budget deficit. Therefore, programs and agencies that are included in the budget totals are disadvantaged.

There has been tremendous growth in Federal financial activity that is off-budget. In fiscal year 1973, the total off-budget net spending was $60 million or 0.7% of the total deficit. Off-budget net spending grew steadily until fiscal year 1981. In that year, it was $21 billion or 36.3% of the displayed deficit. Off-budget net spend-

ing has declined slightly since then. However, the Federal Old-Age Survivor, Disability and Hospital Insurance Trust Funds are scheduled to go off-budget in fiscal year 1993 in accordance with the Social Security Act Amendments of 1983. These three trust funds currently account for approximately 30% of total revenue and 25% of total outlays. A majority of the members of the National Commission on Social Security Reform recommended that these trust funds (and the Supplementary Medical Insurance Trust Fund) be removed from the unified budget. But the Commission's report also noted,

> Those who oppose this recommendation believe it is essential that the operations of the Social Security program should remain in the unified federal budget because the program involves such a large proportion of all federal outlays. To omit its operations would misrepresent the activities of the federal government and their economic impact. Furthermore, it is important to ensure that the financial condition of the Social Security program be constantly visible to the Congress and the public.

The President's Commission on Budget Concepts in 1967 recommended that, "a unified summary budget statement be used . . . The Budget should be comprehensive of the full range of federal activities. Borderline agencies and transactions should be included in the budget unless there are exceptionally persuasive reasons for exclusion." Before the Commission's report, the executive submitted an administrative budget excluding all trust funds. Since fiscal year 1969, the executive has submitted unified budgets including trust funds along with other federal activities. But over the years, some federal entities were granted off-budget status. In 1971, the Export-Import Bank was excluded by law (P.L. 92-126) from the unified budget. When the Federal Financing Bank was created in 1973, its activities were also excluded. The Environmental Financing Authority briefly enjoyed off-budget status but has since gone out of existence. Legislation has also been enacted to bring the activities of specific off-budget entities (The Export-Import Bank, the Pension Benefit Guaranty Corporation and Housing for the Elderly or Handicapped Fund) back into the unified budget.

Because the financial activities of off-budget entities have the same impact on the economy as do the activities of Federal agencies included on budget, the Committee recognizes only one persuasive reason to exclude activities from the Federal budget. The one reason is that the activities are wholly or largely independent of the Federal Government.

Government sponsored enterprises (which are privately owned) are currently excluded from the unified budget for that reason and would continue to be excluded under H.R. 5247. The U.S. Postal Service and the Board of Governors of the Federal Reserve System are *partially* excluded to the degree they are independent of the federal government. For the Postal Service, ony mail and service reimbursements from non-federal sources, proceeds from borrowing and interest from investments are excluded. Any federal reimbursement or subsidy to the Postal Service is included or budget. Under provisions of the Federal Reserve Act of 1913, the Board of

Governors of the Federal Reserve levies assessments on the Federal Reserve Banks. The assessments finance the Board's salaries and operating expenses. Any net profit is recorded on budget.

Under H.R. 5247, notwithstanding any other provisions of law, the financial activities of the Federal Financing Bank, the Rural Electrification Administration, the Rural Telephone Bank, the Strategic Petroleum Reserve Petroleum Account, the United States Synthetic Fuels Corporation, and the Untied States Railway Association will be counted in the budget totals. The Federal Old-Age and Survivors Insurance, Disability Insurance and Hospital Insurance Trust Funds will not be taken off-budget in fiscal year 1993.

H.R. 5247 also provides that budget authority, spending authority, and outlays shall be treated as such in accordance with definitions in the Act notwithstanding other provisions of law providing that disbursements and receipts from certain currently off-budget entities shall not be treated as budget authority, spending authority or outlays.

Finally, H.R. 5247 mandates a referral to the Committee on Government Operations if a bill or resolution includes provisions excluding Federal entities from the budget. The Government Operations Committee has the expertise to determine whether Federal activities, agencies, departments or programs warrant off-budget status. The budget treatment of Federal financial activities deserves careful review. This provision is also intended to encourage thorough consideration of any provisions taking Federal activities off-budget. The mandatory referral to the Committee on Government Operations will place the burden of justification on those seeking off-budget status.

Institutional Coordination

SUMMARY

H.R. 5247 improves coordination and encourages cooperation among the participants in the congressional budget process. Specifically, H.R. 5247 provides that:

—An "elastic clause" shall be retained in the Congressional Budget Act in order to allow new procedures and matters to be included in a budget resolution;

—If a House Budget Committee-reported budget resolution contains any procedures which have the effect of changing House rules, the resolution shall be referred for five days to the House Rules Committee for the purpose of reviewing and, if necessary, reporting amendments to any such provisions;

—The House shall have the opportunity for a separate vote on any procedures not previously adopted by the House which have the effect of changing House rules and are included in the conference report on the budget resolution;

—The joint explanatory statement accompanying the conference report on a budget resolution shall set out the economic assumptions on which the conference report is based; and

—The Speaker, in consultation with the Minority Leader, shall appoint a Member User Group in the House of Representa-

tives, to review budgetary scorekeeping rules and practices of the House and advise the Speaker on the impact of them.

EXPLANATION

The Rules Committee Task Force heard from many witnesses, including the Chairmen of the Appropriations Committee, Ways and Means Committee and several authorizing committees, that the current budget process creates many problems for Congress as an institution. Representative Dingell, Chairman of the Energy and Commerce Committee, said:

> The current process is an institutional disaster . . . I am so outspoken because the Budget Act in its present form disrupts the fabric of this House and of the Congress in a way that I believe jeopardizes the ability of Congress to continue to discharge its constitutional responsibilities.

Representative Whitten, Chairman of the Appropriations Committee, said:

> I am dedicated to maintaining an orderly budget process and I believe such a process is needed to maintain budget control . . . Under the present circumstances, we do not have control—we have chaos. . . . The Congress must not continue to tie its hands in knots with procedural problems.

Representative Rostenkowski, Chairman of the Ways and Means Committee, commented:

> We need to be able to meet the objectives of the Budget Act without disrupting the legislative process or undermining congressional policymaking. To the extent that, and in those areas where, the budget process interferes with congressional policymaking and program oversight responsibilities, it should be appropriately modified.

These complaints about the current process reflect, in part, the difficult current budget situation. The interplay of mounting Federal deficits and the economic conditions of the early 1980's led Representative Brooks, Chairman of the Government Operations Committee, to say in 1982, "The budget process is undergoing an unprecedented trial by fire." Speaking of the institutional problems facing Congress since the Budget Act was enacted, Representative Jones, Chairman of the Budget Committee and a member of the Task Force, added:

> I think every one of the witnesses that we have had, including outside witnesses, ascribe it to the economy and the fact that it is very hard to get a majority of both Houses of Congress in this atmosphere to cut back on spending.

Members also contend, however, that substantial changes have been made in the way Congress develops and enforces a budget resolution and these changes have not resulted from a process that permits careful review or maximum participation by interested Members. Instead, these changes have resulted from provisions in-

cluded in budget resolutions pursuant to the "elastic clauses" (sections 301(b)(2) and 301(a)(7)) which permit a budget resolution to contain such additional matters and "any other procedure considered appropriate to carry out the purposes of this Act." By 1982, when the Rules Committee created its Task Force on the Budget Process, it was common practice to include a number of procedures different from those outlined in the Act. For example, reconciliation used in the first budget resolution, reconciliation used to make legislative changes and changes in authorization levels, and new criteria under which the enrollment of bills would be delayed all have been provided for in budget resolutions pursuant to the authority of the elastic clauses.

These provisions making procedural changes have been added to budget resolutions in committee markup, on the floor (by amendment or by substitute) and in conference. The procedural changes have dramatically altered the relations among committees and profoundly affected the workings of the House of Representatives. Yet interested Members and committees often have little, if any, opportunity to review and comment on the changes before the provisions are included in a budget resolution. Moreover, attention is properly focused on the substantive content, not procedural changes, in a budget resolution when it is marked up in committee, debated on the floor or considered in conference. In short, the budget process has changed but the changes have been made without adequate review by, or notice to, those most affected by the changes. It was inevitable that confusion, frustration, unnecessary ill-will and controversy would be provoked.

In the first hearing held by the Rules Committee Task Force on the Budget Process, it was evident that one of the most troublesome institutional problems was the confusion and dissension among Members over the new procedures inserted in the first budget resolution under the authority of the Act's elastic clauses. Chairman Whitten summarized the views of many when he said:

> As I indicated earlier, there is considerable strength in the Budget Act. However, what we have seen in recent years is special provisions being adopted in budget resolutions which are contrary to the spirit of the Budget Act. The apparent justification is based on the following two lines appearing in section 301 of the Act concerning matters which may appear in the first budget resolution:
>
> "Any other procedure which is considered appropriate to carry out the purposes of this Act."
>
> I respectfully suggest to the Task Force that it may wish to consider recommending deleting those two lines from the Congressional Budget Act. I believe that far less damage could occur to the budget process if those lines were deleted.

Chairman Brooks echoed that view:

> Budget actions in recent years were notable for a number of radical elements inserted into the budget process for the first time . . . We need to ask ourselves whether use of the budget resolution to effect changes of this

> magnitude was intended when the Act was passed in 1974. If it was, we should acknowledge that fact by explicitly giving the Budget Committee authority to take those actions rather than having them put into effect through loopholes and backdoor means. If this sweeping power was not intended, however, we should remove the loopholes and tighten up the statute to return it to what I think was the legitimate purpose of guiding the Congress through the budget formulation process. We probably should repeal provisions like section 301(b)(2).

Chairman Perkins also argued that section 301(b)(2) has not worked well:

> In the past several years we have subverted the process. We have done so principally by loosely interpreting one small provision of the Act, section 301(b)(2), which gives the Budget Committees authority to prescribe "any other procedure" considered "appropriate to carry out the purposes of the Act." In the name of expediency, we have used this authority to condone a number of activities which are contrary to the Act and the legislative process.

Nonetheless, H.R. 5247 provides that a budget resolution may "set forth such other matters, and require such other procedures, relating to the budget as may be appropriate to carry out the purposes of the Act." This provision combines the Act's two existing elastic clauses, sections 301(a)(7) and 301(b)(2). The Committee believes that in some situations, minor procedural modifications introduced in a budget resolution may be necessary and appropriate. While H.R. 5247 retains an elastic clause, however, it also establishes certain safeguards on the use of the elastic clause to ensure that Members fully participate in the development of procedural changes introduced under its authority. The safeguards also ensure that the Committee on Rules, which has jurisdiction over the rules of the House and over modifications to the Budget Act and which is uniquely situated institutionally to guarantee a careful review involving all affected parties, is responsible for considering changes in the budget process.

H.R. 5247 provides that if the House Budget Committee reports a budget resolution containing procedures which have the effect of changing House rules, the resolution automatically will be referred to the House Rules Committee with instructions to report it within five calendar days (not counting any day on which the House is not in session). The Rules Committee would be able to report the resolution with an amendment (or amendments) which change or strike any such procedure.

This does not change the existing jurisdictional authority of the House Rules Committee. Clause 1(q) of Rule X vests in the Rules Committee legislative jurisdiction over all matters affecting the rules of the House, the joint rules, and the order of business. While section 301(b)(2) in the Congressional Budget Act permits a budget resolution to provide for procedural changes, section 904 of the Act states that all the provisions of Title III in the Act are enacted "with full recognition of the constitutional right of either House to

change such rules (so far as relating to such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House." The manner in which rules may be changed in the House of Representatives was settled at least as early as 1879:

> Subjects relating to the rules are referred to the Committee on Rules . . .
>
> It was established in practice, even when a rule suggested otherwise, that a proposition to change the rules of the House, in order to be agreed to by a majority vote, should be referred to and reported by the Committee on Rules. (vol. 5, Hinds' Precedents, sections 6770, 6772)

Moreover, the Committee reported the Congressional Budget Act of 1974, and possesses jurisdiction over budget procedures inserted in a budget resolution that affect the operation of the Act or of the rules of the House. In 1983 and 1984, the Committee sought and received sequential referral of the budget resolutions for the purpose of reviewing provisions making procedural changes that affect the rules of the House. That the jurisdiction over the rules of the House, including budget procedures affecting the rules, resides with the Committee on Rules is settled.

The mandatory referral to the Rules Committee is not required, however, solely because of the Committee's jurisdictional authority. As mentioned above, the Committee is uniquely situated within the institution. First, most of the major, controversial legislation reported from other committees and considered by the House is considered under a special order or rule which provides for the time and method of consideration and which is reported from the Committee on Rules. The Rules Committee regularly works with all other committees of the House, learning to appreciate the problems facing those committees and the expertise those committess have. When the Rules Committee Task Force on the Budget Process was established, it included not only members of the Rules Committee but also members from other committees involved in the budget process. The mandatory referral to the Rules Committee ensures that all affected parties will have time to consider, and have the opportunity to comment on, procedural changes included in a budget resolution.

Because the Rules Committee has jurisdiction over the rules and joint rules (other than the rules or joint rules relating to the Code of Official Conduct) and order of business of the House, the Committee is uniquely situated to maintain a perspective on the proper role of the budget process in the overall legislative process. The budget process is central to the responsible workings of the House, and it significantly affects all other parts of the legislative process, but it still is only one part of the business of the House of Representatives. Only the Rules Committee, with its unique jurisdiction, can protect the budget process and ensure its proper place in the workings of the House.

The Rules Committee also has the institutional responsibility for enforcing the Budget Act. If legislation violates a provision of the Budget Act or a condition imposed by a budget resolution, only the Rules Committee can report a rule waiving points of order against

consideration of the legislation. The recognition that it must ultimately enforce or waive new procedures, ensures that the Committee carefully and pragmatically considers such new procedures. The Rules Committee will be reluctant to approve a procedure it must routinely waive in the future and the Committee will not easily grant a rule waiving a point of order it as fully and carefully considered.

Finally, the mandatory referral to the Rules Committee is also intended to discourage the use of budget resolutions to change budget enforcement procedures. It is not likely, given the attention is properly focused on the substantive content of the budget resolution, that procedural changes in a budget resolution will be given due consideration and adequate review. Moreover, enforcement procedures will inevitably be weakened if they are changed each year in a legislative vehicle that is primarily designed to settle divisive and politically sensitive matters such as fiscal policy and national budget priorities. Constant change in the budget resolution has, in fact, confused and angered participants in the process. Those charged with implementing the budget plan need simple, straightforward guidelines to comply with the budget resolution. The more that enforcement procedures change, one year focusing on one aggregate, the next year focusing on another matter, the less likely it is that committees will develop the capacity, let alone the sense of responsibility, to comply. A successful budget process does not rely on sanctions to ensure that implementing legislation is consistent with the budget resolution. A successful process relies on voluntary compliance. But compliance is not a realistic hope when the rules constantly change.

H.R. 5247 also provides procedures to ensure an opportunity to vote separately on any new procedures affecting the rules of the House contained in a conference report if such procedural changes were not included in the House-passed version of the budget resolution. This will provide an opportunity for the full House to consider Senate-initiated changes to House rules. It does not require that such a separate vote occur automatically. Some Members worry that the opportunity to vote separately on such matters will make it even more difficult to reach agreement in conference. Without speculating on the difficulty of conference, the Committee considers this provision necessary to preserve the prerogative of the House to determine its own rules.

To decide whether a point of order lies against a measure because it would cause the committee's allocation or the aggregates in the resolution to be breached, estimates made by the Budget Committees are relied upon. These estimates are to be made in accordance with scorekeeping rules and precedents. To ensure compliance with and support for the scorekeeping rules, H.R. 5247 provides that a Member User Group shall be appointed by the Speaker after consultation with the Minority Leader. The Group will review scorekeeping rules and practices, will serve as a forum to resolve differences or urge changes in the rules and will advise the Speaker from time to time of the impact of the scorekeeping system. The Member User Group in no way limits the authority of the Chair to make rulings nor does it interfere with the Parliamentarian's re-

sponsibility to advise the Chair on all points of order and parliamentary inquiries.

Brief Section-by-Section Summary

TITLE I—CONGRESSIONAL BUDGET PROCESS

Section 101. This section is a substitute for Title III of the Congressional Budget Act of 1974. It sets forth the timetable for the congressional budget process and requires certain content in the budget resolution and in the Budget Committees' reports on the budget resolution. It provides that committees will receive an allocation for discretionary action on spending, credit, revenue and tax expenditures legislation based on the aggregates agreed to in the budget resolution. This section also prohibits consideration of spending, credit, revenue or public debts legislation before the budget resolution is adopted. It sets out the procedures, in the House and in the Senate, for consideration of the budget resolution. It sets a deadline of June 10 for House Appropriations Committee action on all regular appropriation bills. It requires regular scorekeeping reports from the Budget Committees. It also prohibits adjournment of the House for more than three days in July if the House has not completed action on all regular appropriations bills and any reconciliation legislation called for in the budget resolution. It requires that, to the extent necessary, the budget resolution shall include reconciliation directives and it lays out the procedure for the reconciliation process. Finally, this section prohibits consideration of a measure reported by a committee if the measure would cause the committee's allocation for discretionary action to be breached.

TITLE II—AMENDMENTS TO TITLE IV OF THE CONGRESSIONAL BUDGET ACT OF 1974

Section 201. This section amends section 401 of the Act. Section 201 defines two new forms of "backdoor" spending authority and prohibits consideration of any provisions of legislation providing such new spending authority unless the provision is limited to the extent provided in advance by appropriation acts. Subsection (e) establishes a method for estimating "new entitlement authority for a fiscal year".

Section 202. This section is a substitute for section 402 of the Act. Section 202 defines credit authority and prohibits consideration of any measure providing credit authority unless it is effective only to the extent provided in appropriation acts.

Section 203. This section amends section 403 of the Act. It requires that the CBO cost estimate required for any bill or resolution of a public character include a description of each method for establishing a federal financial commitment.

Section 204 adds *three separate new* sections to Title IV of the Act. The new section 405 of the Act will require GAO to study programs financed by permanent appropriations or spending authority under existing law and to report its recommendations on the appropriate form of financing for those programs. Under the new section 406 of the Act, all programs and activities of the Federal Gov-

ernment currently off-budget or currently scheduled to go off-budget will be brought on-budget or remain on-budget. Legislation having the effect of taking any federal entity off-budget will be automatically referred to the Committee on Government Operations. The new section 407 of the Act will require the Speaker, after consulting with the Minority Leader, to appoint a Member User Group to review budget scorekeeping rules.

TITLE III—ADDITIONAL PROVISIONS TO IMPROVE BUDGET PROCEDURES

Section 301. Section 301 amends section 3 of the Act. This section adds definitions of "allocation for discretionary action" and "entitlement authority" and adds "the authority to collect offsetting receipts" to the existing definition of budget authority.

Section 302. Section 302 amends sections 201 and 202 of the Act which describe the functions of the Congressional Budget Office. This section permits all committees to make recommendations to the Speaker and President pro tempore concerning the appointment of a new Director of CBO, requires several new reports from CBO (including an inventory of tax expenditures) and specifies the methods by which CBO is to determine baseline budget projections.

Section 303. Section 303 amends section 605 of the Act. This section changes the date for submission by the President of the current services budget so that it is the same as the date for submission of the President's budget.

Section 304. Section 304 repeals section 606 of the Act. Section 606 of the Act requires the Budget Committees to study and make recommendations from time to time about off-budget federal entities.

Section 305. Section 305 provides that the House and the Senate shall receive prompt notification whenever any changes are made in the functional categories in the President's budget.

Section 306. Section 306 amends rule X of the Rules of the House of Representatives to change the composition of majority party membership on the House Budget Committee.

Section 307. Section 307 amends rule X of the Rules of the House of Representatives to include, in the jurisdiction of the Government Operations Committee, the on- or off-budget status of Federal agencies and programs.

Section 308. Section 308 amends rule X of the Rules of the House of Representatives to include, in the jurisdiction of the Rules Committee, continuing review of and further recommendations on the congressional budget process.

Section 309. Section 309 amends rule X of the Rules of the House of Representatives to require election of the committees of the House within seven calendar days after a new Congress convenes. This section also provides that it will be in order, at any time, to consider resolutions changing the composition of standing committees.

Section 310. Section 310 amends rule XXI to permit consideration of appropriations bills containing certain rescissions and transfers in general appropriation bills.

TITLE IV—AMENDMENTS TO SUBTITLE II OF TITLE 31, UNITED STATES CODE

Section 401. Section 401 requires the President to submit to Congress his budget by the first Monday after January 3 of each year. This section also requires OMB to submit the text of implementing legislation within two weeks of that date.

Section 402. Section 402 repeals the requirement for the President to submit budget reestimates by April 10 of each year.

Section 403. Section 403 requires the President to submit the current services budget by the first Monday after January 3.

TITLE V—TECHNICAL AND CONFORMING AMENDMENTS

Section 501. Section 501 changes the table of contents in the Act.

Section 502. Section 502 makes additional changes in the table of contents in the Act and strikes out a reference to the required second budget resolution in the definition section of the Act. It also makes five similarly technical and conforming changes in House Rules.

TITLE VI—EFFECTIVE DATE

Section 601. This section makes the provisions of H.R. 5247 effective at noon January 3, 1985 and requires that they be reflected in the President's budget for fiscal year 1986.

DETAILED EXPLANATION OF THE PROVISIONS OF H.R. 5247 AS REPORTED

TITLE I—CONGRESSIONAL BUDGET PROCESS

Section 101. Substitute for Title III of the Budget Act

This section amends Title III of the Congressional Budget Act of 1974. The section numbers under Title I in this explanation refer to sections in the new Title III of the Act contained in H.R. 5247 as reported.

Section 300. Timetable

This section displays the main steps in the congressional budget process by setting forth eight major dates for completion of budget related action as follows:

On or before:	Action to be completed:
First Monday after January 3	President submits his budget.
February 15	Congressional Budget Office submits report to Budget Committees.
February 25	Committees submit views and estimates to Budget Committees.
April 15	Congress completes action on concurrent resolution on the budget.
June 10	House Appropriations Committee reports last regular appropriation bill.
June 30	House completes action on regular appropriation bills and reconciliation legislation.
August 15	Senate completes action on regular appropriation bills and reconciliation legislation.
October 1	Fiscal year begins.

Changes to section 300 in the Act made by this section of H.R. 5247 reflect the accelerated timetable and new deadlines imposed elsewhere in H.R. 5247.

Section 301. Annual Adoption of Concurrent Resolution on the Budget

(a) Content of Concurrent Resolution on the Budget.—This subsection requires Congress to complete action by April 15 of each year on a concurrent budget resolution. The budget resolution sets forth appropriate budgetary levels for the coming fiscal year and planning levels for the two ensuing fiscal years, including aggregate levels for total new budget authority, budget outlays, entitlement authority, direct loan obligations, primary loan guarantee commitments, revenues, the surplus or deficit and the public debt. The budget resolution also sets forth the recommended amount by which revenues and tax expenditures (excluding the effect of changes in tax rates) should be changed. It also includes a distribution of total new budget authority, budget outlays, entitlement authority, and credit activity among functional categories representing major program areas of federal budgetary activity.

The table below compares the contents of a budget resolution as required by H.R. 5247, as required by the Congressional Budget Act of 1974, and as found in current practice.

REQUIRED CONTENT OF BUDGET RESOLUTION

H.R. 5247 requires: (The financial activities of currently off-budget entities are included)	The Act requires: (The financial activities of currently off-budget entities are excluded)	Current practice: (The financial activities of currently off-budget entities are excluded)
(1) The appropriate level of total:	(1) The appropriate level of total:	(1) The appropriate level of total:
New budget authority	New budget authority	New budget authority
Budget outlays	Budget outlays	Budget outlays
Direct loan obligations		Direct loan obligations
Primary loan guarantee commitments		Primary and secondary loan guarantee commitments
Entitlement authority		
Revenue	Revenue	Revenue
(2) The recommended revenue increase or decrease	(2) The recommended revenue increase or decrease	(2) The recommended revenue increase or decrease
The recommended tax expenditure increase or decrease		
(3) Deficit or surplus	(3) Deficit or surplus	(3) Deficit or surplus
(4) Functional allocations of:	(4) Functional allocations of:	(4) Functional allocations of:
New budget authority	New budget authority	New budget authority
Budget outlays	Budget outlays	Budget outlays
Direct loan obligations		Direct loan obligations
Primary loan guarantee commitments		Primary and secondary loan guarantee commitments
Entitlement authority		
(5) Public debt	(5) Public debt and amount by which statutory limit is increased	(5) Public debt and amount by which statutory limit is increased
(6) Planning numbers for all matters listed above for each of the two fiscal years following the budget year		(6) Planning numbers for all matters listed above for each of the two fiscal years following the budget year

The Committee recommends that budget resolutions continue to include all items presently included except the amount by which the statutory limit on the public debt is increased. For further information, see "Single Binding Budget Resolution." In addition, the Committee strongly advocates a comprehensive budget process and therefore recommends that two matters be included that are neither required by the Congressional Budget Act of 1974 nor included in current practice: aggregate and functional levels of entitlement

authority and the recommended amount by which tax expenditures should be increased or decreased.

The Committee believes it is important to focus attention on entitlements. A large and growing share of the federal budget is devoted to entitlement authority. In 1970, entitlements accounted for roughly forty percent of total outlays. For fiscal year 1983, entitlements accounted for about fifty percent of total outlays. Entitlement spending falls into many budget functions, including agriculture, national defense, veterans' affairs and income security. For further information, see "Single Budget Resolution."

The Committee also recognizes that tax expenditures, the revenues lost due to special provisions of the tax code benefitting select groups of taxpayers or encouraging certain economic sectors, are a large and growing part of the federal budget. The Committee believes that the budget process must take account of these tax expenditures. By focusing on the incremental change rather than the sum total of tax expenditures, the Committee bypasses technical problems associated with measuring aggregate revenue loss. For further information, see "Expanded Coverage."

(b) Additional Matters in Concurrent Resolution on the Budget.—This subsection provides that the budget resolution may also include reconciliation directives, other matters and procedures appropriate to carry out the purposes of the Act, and should specify the calendar year in which Congress believes the unemployment goals of the Employment Act of 1946 should be acheived.

The table below compares additional matters explicitly permitted to be included in the budget resolution by H.R. 5247, by the Congressional Budget Act of 1974, and such matters as are included in current practice.

ADDITIONAL MATTERS

H.R. 5247 permits:	The Act permits:	Current practice
Goals for reducing unemployment	Goals for reducing unemployment	
Other matters	Other matters	Other matters
Other procedures	Other procedures	Other procedures
	Deferred enrollment	Deferred enrollment
Revised resolution for current fiscal year	Revised resolution for Current fiscal year	Revised resolution for current fiscal years
Reconciliation instructions	Reconciliation instructions*	Reconciliation instructions

*The Act explicitly permits reconciliation instructions to be included only in a second budget resolution

H.R. 5247 retains the flexibility inherent in the Act. The only matter not explicitly permitted under the bill but explicitly permitted under the Act is a procedure to delay enrollment of legislation. Bills and joint resolutions that have passed both Houses are enrolled on parchment before they are sent to the President for signature. Deferred enrollment is a procedure by which bills or resolutions may be delayed during the enrollment process until a specified date so that Congress can adopt a concurrent resolution directing the enrolling clerk to make changes in the delayed legislation. The Act contemplates such a procedure to be used in conjunction with reconciliation instructions in a second budget resolution. Reconciliation in a second budget resolution offered the opportunity to

change measures held at the desk in order to conform them to the second budget resolution. The Committee believes there is no need for this procedure if only one budget resolution is contemplated.

(c) Consideration of Procedures or Matters which Have the Effect of Changing any Rule of the House of Representatives.—This subsection provides that a budget resolution reported by the House Budget Committee which has the effect of changing any rule of the House of Representatives shall be referred to the Committee on Rules. The Rules Committee then must report it within five calendar days during which the House is in session. The Committtee on Rules has the authority to report that budget resolution with an amendment to strike or change the provision affecting the rules.

The mandatory referral of such budget resolution to the Committee on Rules is a new requirement. The Committee, however, requested and received a sequential referral of the budget resolutions for fiscal year 1984 and for fiscal year 1985 on the ground that both resolutions contained new budget enforcement procedures affecting the rules of the House. Clause 1(q) of rule X of the Rules of the House vests legislative jurisdiction in the Committee on Rules over all matters affecting the rules of the House, the joint rules, and the order of business. In addition, the Committee reported the Congressional Budget and Impoundment Control Act of 1974 (P.L. 93-344) and therefore possesses jurisdiction over procedures that affect the operation of the Act or of the rules of the House.

Under the authority of section 301(a)(7), 301(b)(1) and 301(b)(2) of the Act, the "elastic clauses", the first budget resolution has been regularly used as the vehicle for the adoption of budget enforcement procedures that alter the Act and significantly affect the operations of most committees of the House.

The Committee believes that these yearly changes in procedures create confusion and discourage Members and committees from working responsibly to implement the budget. Committees have at times attempted to fulfill the requirements of the Budget Act, only to find that their legislation has run afoul of some new procedure included in a budget resolution or some new interpretation and is subject to a point of order. While points of order can enforce some degree of complianice with the decisions embodied by the budget resolution, no system of enforcement can long be successful if those subject to it do not feel a responsibility to live within the limits placed on them. The budget enforcement system should be made as understandable, predictable and equitable as possible, in order to engender such a sense of responsibility on the part of the Members and committees of Congress.

The Committee also believes that the budget resolution is ordinarily not an appropriate vehicle by which to change congressional budget procedures. During consideration of the resolution attention is, and should be, focused on the nation's economy, on matters of fiscal policy and broad issues of budgetary priorities. The Committee intends the mandatory referral to discourage use of the budget resolution to change budget enforcement procedures and to ensure that, in those cases in which enforcement procedures are changed in the resolution, adequate consideration is given to those changes.

(d) Views and Estimates of Other Committees.—This subsection requires each standing committee of the House or of the Senate to

submit its views and estimates with regard to any matter in the budget resolution relating to its jurisdiction to its Budget Committee by February 25. All other committees of the House or of the Senate, and all joint committees may also submit such views and estimates. The Joint Economic Committee is required to submit to both Budget Committees its fiscal policy recommendations for achieving the goals of the Employment Act of 1946.

This subsection is similar to section 301(c) of the Act. The date for submission of views and estimates is changed from March 15 (in the Act) to February 25 (in H.R. 5247). Since the President's budget will also be submitted earlier, it should not be difficult to meet this deadline. In addition, the required content of the views and estimates is simplified and left in large part to the determination of the committees submitting views and estimates.

(e) Hearings and Report.—This subsection requires the Budget Committee of each House to hold hearings and receive testimony from Members of Congress and appropriate representatives of Federal departments and agencies, the general public, and national organizations. The report accompanying a budget resolution must include a comparison of the budget aggregates in the budget resolution with those requested by the President, an analysis for each functional category of the controllability of expenditures in that category, an allocation of total revenues among major sources, a statement of economic assumptions and objectives, five year projections, a tax expenditures budget, an analysis of Federal assistance to State and local governments, a comparison of different forms of Federal financial commitment by functional category, and information on how the Budget Committees determined the content of the budget resolution, including an explanation of how the resolution compares with the views and estimates of the standing committees of its House. This subsection provides that the Budget Committees may consider the recommendations of the Joint Economic Committee, and provides that the reports of the Budget Committees may include matters other than those required and listed above.

This subsection is similar to section 301(d) of the Act. H.R. 5247, however, drops the April 15 deadline for reporting the first budget resolution. The Committee believes a reporting deadline is unnecessary given the deadlines for completion of House action on the resolution.

In addition, this subsection adds to the required content of the report accompanying a budget resolution. First, it requires the Budget Committee to display, for each function, the amount of federal financial commitment in spending, credit activity and tax expenditures. The Committee wants to foster recognition of the total level of Federal commitment in each functional category and to encourage comparisons of the costs of spending programs, credit activities and tax expenditures. The Committee hopes to facilitate the evaluation of the mix of different forms of financing to achieve similar objectives.

Second, this subsection calls for the Budget Committees, in the report, to comment on differences between the resolution and the views and estimates received from other standing committees. In the original Senate passed version of the Act, the Budget Committees were required to include the views and estimates in the report

and to explain their action with respect to each one. The requirement in H.R. 5247 merely calls for the Budget Committees to account for their decisions.

(f) Achievement of Goals for Reducing Unemployment.—This subsection provides that, if an Economic Report of the President recommends that the unemployment goals of the Employment Act of 1946 be achieved after the deadline set by that Act, then the Congress may specify in a budget resolution the year by which it believes the unemployment goals can be achieved. If an Economic Report subsequently is submitted by a President recommending a year different from the one Congress stated for achieving the unemployment goals of the Act, then Congress may put in subsequent budget resolutions the year by which it believes the goals can be achieved. The year set forth in a budget resolution cannot be changed by amendment unless the amendment also includes changes in the appropriate levels of the budget resolution consistent with the year in the amendment for achieving the unemployment goals.

This subsection is the same as section 301(e) of the Act except references in the Act to "the first concurrent resolution on the budget" are changed in H.R. 5247 to "the concurrent resolution on the budget."

(g) Common Economic Assumptions.—This subsection creates a new requirement that the joint explanatory statement accompanying a conference report on a budget resolution include a statement of common economic assumptions on which it is based.

Budget plans are sensitive (in varying degrees) to predictions about the economy. A difference of one percent in the unemployment rate in 1984, for example, would alter combined projections of spending in mandatory programs and of revenue by about $25 billion for fiscal year 1984 and about $40 billion for fiscal year 1985. Congress does not vote directly on economic assumptions but implicitly endorses them when it adopts a budget resolution. The use of different assumptions by the Administration, the House and the Senate would create confusion and might give some participants in the budget process an unfair advantage. Nothing in the Act requires agreement on assumptions.

The Committee sought a way to compel early agreement on economic assumptions. Without such agreement, the debate on the budget may not focus on issues of policy but instead founder on technical questions. The Committee considered several options but found no practical way to ensure agreement among the Administration and both Houses of Congress and found no way to require agreement between the two Houses prior to the conference stage. The Committee believes, however, this new requirement will encourage the participants in the budget process to work out their differences on assumptions before the conference stage.

(h) Budget Committees Consultation with Standing Committees.—This subsection is new. It requires each Budget Committee to consult with the standing committees of its House during the preparation, consideration and enforcement of the budget resolution.

Section 302. Committee Allocation

(a) Allocation for Discretionary Action.— This subsection, in the Act and under H.R. 5247, provides for a "crosswalk", a means of analyzing the levels of total spending set forth in the budget resolution and displaying what portion is attributable to legislative action by each of the standing committees and what part flows from existing law in the jurisdiction of each committee. Specifically, under H.R. 5247, section 302(a) provides that, for purposes of ensuring that congressional action does not cause the levels agreed to in the budget resolution to be breached, reports and conference reports on budget resolutions must include an allocation for new legislation or changes to existing law (i.e., discretionary action) to each committee of the House and Senate with jurisdiction over measures that would implement such action. Such allocations will cover either the budget year, the total of the budget year and the ensuing fiscal year, or the total of the budget year and the two ensuing fiscal years. The allocations will be for amounts of new budget authority, new spending authority, new direct loan obligations, new primary loan guarantee commitments or changes in revenues or tax expenditures (excluding the effect of changes in tax rates) anticipated from new legislation. Under section 302(a), an allocation for the purpose of enforcing the budget plan must not extend for a period longer than the assumed duration of the programs covered by the allocation.

Restated, allocations for discretionary action are based on the amount of spending, credit activity, revenue change or change in the level of tax expenditures assumed in the budget resolution to result from new legislation. In this way, each committee of jurisdiction "receives" an amount over which the committee has legislative discretion. The Committee believes that the most effective way to enforce the guidelines set in a budget resolution is to allocate to committees what they can control and then hold committees strictly responsible for reporting legislation that does not cause those allocations to be breached.

Spending allocations for programs funded through discretionary annual appropriations will be for the amount assumed to be appropriated. For entitlement programs funded by existing law, entitlement authority allocations will be only for anticipated changes in spending levels due to assumed new legislation. The allocations will be positive in the case that anticipated legislative changes increase spending levels. The allocations will be negative in the case of anticipated legislative savings in such programs. If both increases and savings are anticipated in programs within the jurisdiction of one committee, the allocation to that committee will be the net of the positive and negative amounts.

Allocations for discretionary action will be made on the basis of committee jurisdiction. For example, the Committee assumes that all allocations for discretionary action on tax expenditures will be given to the Committee on Ways and Means in the House. The Committee also assumes that the Budget Committees will make the allocations only after consulting with the affected committees.

As noted above, section 302(a) in the Act also provides for committee allocations or "crosswalks" between the aggregates in the

resolution and amounts attributable to the committees of Congress. In the Act, however, the purpose of the allocations is to provide information on which to gauge congressional action against resolution targets. Under H.R. 5247, the primary use of section 302(a) allocations is to provide the basis for procedural controls on spending, credit and revenue action. The table below sets out the differences between section 302(a) in H.R. 5247, in the Congressional Budget Act of 1974 and its use in current practice.

Under H.R. 5247	Under the Act	Under current practice in the House
Allocations for discretionary action (assumed new legislation) of:	Allocations of:	Allocations (divided between current law and assumed new legislation of:
New budget authority	Outlays	Outlays
New entitlement authority	New budget authority	Budget authority
Amount of change in level of revenue		Entitlement authority
Amount of change in level of tax expenditures		
New direct loan obligation		
New primary loan guarantees		
Are made in:	Are made in:	Are made in:
The report accompanying the budget resolution		
The conference report on the budget resolution	The conference report on the budget resolution	The conference report on the budget resolution
For the budget year, the total for the budget year and the ensuing fiscal year, or the total for the budget year and the two ensuing fiscal years	For the budget year	For the budget year
The allocations are made for the purpose of:	The allocations are made for the purpose of:	The allocations are made for the purpose of:
Point of order control on new budget authority, new entitlement authority, revenue changes, tax expenditure changes and new credit activity	Information (subdivisions of 302(a) allocations are the basis for 401(b)(2) referral of certain entitlement bills)	Information Delayed enrollment (subdivisions of 302(a) allocations are the basis for 401(b)(2) referral of certain entitlement bills)

There are three changes in section 302(a) as amended by H.R. 5247 that need further discussion. These are changes dealing with outlays, the report accompanying a budget resolution, and multiyear allocations.

Outlays, under H.R. 5247, are not included in the section 302(a) allocations made for purposes of enforcing budget resolution targets. It should be noted that total outlays will be divided among committees, pursuant to section 302(e), for purposes of information.

The Committee believes the system of budget enforcement will be strengthened if it is used to control only what Congress actually can directly control.

Congress does not directly control outlays. When Congress appropriates, it provides budget authority or the authority to incur obligations that will eventually result in outlays (payments of government funds). The appropriations permit executive agencies to enter into obligations, that is, to hire personnel, to offer grants, to contract for goods and services. Outlays are made only when payment is due on the incurred obligation, that is, when workers are owed paychecks and suppliers must be paid for delivery. In two senses,

28-708 O - 84 - 7

then, Congress does not directly control outlays. First, Congress should (and does) control spending at the point of obligation, not at the point that payment is due. Once money is obligated, it is rarely appropriate to withhold payment (outlays). The second way in which outlays are not directly controlled by Congress is that while a reduction (or increase) in budget authority will eventually result in a reduction (or increase) in outlays, the timing of the outlay change is not under the control of Congress. In other words, there is a lag, in some cases a matter of years, between the time Congress appropriates budget authority and the time that the outlays result. In any particular fiscal year, the amount of outlays results from a combination of past and present congressional decisions.

Budget authority is allocated to committees and provides (along with entitlement authority) the basis for procedural controls of spending under H.R. 5247. Estimates of outlays expected to result from the budget authority provided in a measure are based on historical spendout rates and predictions above relevant external factors ranging from demographic trends to the weather.

Budget Committee reports accompanying budget resolutions, for the first time, will include committee allocations. This reflects the increased importance of such allocations as a result of H.R. 5247. Under the new system established by H.R, 5247, when Members vote for a budget resolution, they are effectively setting limits on each committee's legislative discretion. Members should, therefore, be aware of those limits. The committee allocations should not be included in the resolution itself. The debate on the resolution should focus on broad issues of federal budget priorities and on matters of national economic policy, not on amounts for discretionary action by congressional committees. If the allocations are included in the resolution, and are amendable, it will be difficult to avoid extensive debate on and attention to the allocations.

Multiyear allocations for certain committees are appropriate and, for the first time, are permitted and encouraged under H.R, 5247. When assumed or existing legislation is effective for a single year, a multiyear allocation is inappropriate. Most new entitlement law and changes in the tax code, however, are effective for several years or indefinitely. One year allocation misrepresents the assumed budget impact of such new entitlement law or revenue changes.

The Committee believes that multiyear allocations should be a single total, not a year by year allocation. Since procedural controls are keyed to these committee allocations, and the Committee firmly believes that the more complicated a system of budget enforcement the more fragile it is, the Committee recommends one total for each allocated amount for each committee with jurisdiction. The total may cover one year, two years or three years. The duration of the allocation must be consistent with the assumed duration of programs and activities covered by the allocation.

In essence, this is a selective application of multiyear budgeting. It will obviously require consultation and cooperation among all the committees involved.

(b) Reports by Committees.—This subsection requires the Appropriations Committees, as soon as practicable after Congress adopts a conference report on a budget resolution, to consult with each

other and then subdivide their allocations for discretionary action among their respective subcommittees. Other committees of the House and Senate shall consult their appropriate counterparts and subdivide their respective allocations (except those for revenues and tax expenditures) among programs or subcommittees. Each committee receiving an allocation for discretionary action must promptly report its subdivisions to its House.

The allocations of revenue changes and changes in the level of tax expenditures are exempt from the requirement to make subdivisions. This is appropriate given the manner in which tax legislation is initiated and considered.

Under the Act and under H.R. 5247, committees can revise and refile their section 302(b) subdivisions. For example, the House Committee on Appropriations, in its report on the subdivision of budget totals for fiscal year 1984 made pursuant to section 302 of the Congressional Budget Act of 1974, House Report 98-349, remarks:

> The Committee notes the possibility that between the time this report is filed and conference reports on appropriation bills are finalized, changes could occur within the economy which could affect Federal programs. For this and other reasons, the Committee reserves the right to make necessary revisions to the section 302(b) report at a later date as may be necessary and appropriate.

H.R. 5247 deletes one requirement from section 302(b) in the Act. Under H.R. 5247, only amounts for discretionary action, those amounts which are controllable, are allocated pursuant to section 302(a). Therefore, under H.R. 5247, there is no need for committees to divide between "controllable amounts and all other amounts" as required under section 302(b) in the Act.

The section 302(b) subdivisions, under H.R. 5247, are made for purposes of information only. They are not used as the basis for any procedural controls. As members consider legislation, however, the information provided by section 302(b) subdivisions is very useful. Members will be warned that later measures reported by a committee will likely be up against a 302(a) limit, if a measure reported first by that committee would cause the appropriate 302(b) subdivision to be breached.

The Committee considered and rejected procedural controls at the subcommittee level, based on section 302(b) subdivisions, for the Appropriations Committee. The Rules Committee believes the most durable and successful enforcement system makes clear assignments of responsibility. Subcommittee controls disperse and diffuse responsibility. A committee allocated an amount it can control will have no excuse for exceeding that allocation if the full committee alone is accountable. It will be compelled to act responsibly. Moreover, subcommittee controls lead to a complicated and inappropriate emphasis on line-items in the debate on a budget resolution. If the budget resolution determines the total amount to be provided in each appropriation bill, the Committee believes that the debate engendered by the budget resolution would be focused on matters more properly considered in the debate on authorizations and general appropriation bills. Finally, it should be remembered that sec-

tion 302(b) levels are determined by the full committee and may be changed at any time by the full committee. A system of controls based on such levels invites game-playing.

(c) Legislation Subject to Point of Order.—This subsection prohibits consideration of any bill, resolution, amendment, or conference report providing new budget authority, new entitlement authority, or new credit authority until the committee of jurisdiction submits to its House the subdivisions required under section 302 (b) and (e).

This is a new requirement. The Committee considers it important to ensure that subdivisions are filed by a committee before spending measures reported from the committee are considered. The information provided by the subdivisions is essential for members to compare congressional action with committee and subcommittee targets and with the aggregates in the resolution.

(d) Subsequent Concurrent Resolution.—This subsection provides that in the case of any subsequent budget resolution the allocations and subdivisions described in subsections (a) and (b) are required only to the extent necessary to cover revisions in such subsequent budget resolution for a fiscal year. Section 302(d) in the Act as amended by H.R. 5247 is identical to section 302(c) in the Act except that H.R. 5247 strikes the reference to the second budget resolution required by the original Act.

(e) Divisions of Budget Totals Among Committees.—This subsection requires that reports and conference reports on budget resolutions include a division of total new budget authority, total outlays, total entitlement authority, and total new direct loan obligations and total new primary loan guarantee commitments among committees of the House and the Senate with jurisdiction over such authorities. The divisions will provide information by which implementing legislation can be compared to the budget resolution. As soon as practicable after the conference report is agreed to, the Appropriations Committees must consult and then subdivide among their respective subcommittees the division of estimated outlays. Other committees receiving an allocation, after consulting with their counterparts in the other body, must subdivide among subcommittees or among programs the allocation of estimated outlays.

This is a new subsection. It reflects the difference between allocations used for procedural control (302(a)) and allocations used for information (302(e)). The allocations to be used as the basis for points of order are limited to amounts under the direct control of the Congress and expected to result from legislation in the jurisdiction of the committees. The information allocations include outlays and permanent and mandatory budget authority, even if such amounts do not result from current legislation. In this sense, section 302(e) allocations include "uncontrollable" amounts.

Section 303. Concurrent Resolution on the Budget Must be Adopted Before Legislation Providing New Budget Authority, New Spending Authority, New Credit Authority, or Changes in Revenues or the Public Debt Limit is Considered

(a) In General.—This subsection prohibits consideration in either House of any bill, resolution or amendment providing new budget authority, new credit authority, new entitlement or other spending

authority, or providing for increases or decreases in revenues or the public debt, until the budget resolution for the fiscal year involved has been adopted by Congress.

The purpose of section 303(a) is to force Congress to agree on an overall budget plan before it considers implementing legislation. The only change in this provision of the Act made by H.R. 5247 is to expand the coverage of the ban against consideration prior to adoption of a budget resolution. The Act prohibits consideration of spending legislation providing budget authority or entitlement authority. Under H.R. 5247, a measure providing any type of spending authority (e.g., contract authority, borrowing authority, monetary credits, or residual spending authority) would be subject to a point of order. The prohibition against considering measures providing new credit activity before the budget resolution is adopted is also a new requirement.

(b) Exceptions.—This subsection provides an exception from this prohibition for legislation that provides new budget authority or that changes revenues in fiscal years subsequent to the budget year.

In the Act and in the Act as amended by H.R. 5247, section 303(b) provides exceptions to the prohibition in section 303(a). The purpose of the exception is to permit advance appropriations and future year revenue changes to be considered before the budget resolution is adopted for the fiscal year in which they are first effective. Advance appropriations are provided for use in a fiscal year beyond the upcoming fiscal year. There are only a small number of programs which receive advance appropriations. Advance appropriations in recent years have represented less than one percent of total appropriations. Revenue changes are phased in over several years, in many cases, to permit taxpayers to plan for the new provisions in the tax code or to provide an opportunity for states and local governments to adjust their tax provisions which are linked to the federal tax code. The exemption allows for consideration of legislation making such revenue changes. H.R. 5247 simply clarifies the language of section 303(b) in the Act without changing the intended effect.

(c) Waiver in the Senate.—This subsection is identical to the language included in the Congressional Budget Act of 1974 to provide for Senate waivers of section 303(a). It is anticipated that the Senate will review this subsection during its consideration of this legislation.

Section 304. Permissible Revisions of Concurrent Resolutions on the Budget

This section provides that Congress may adopt revisions to a budget resolution for a fiscal year at any time after the annual budget resolution required by section 301 is adopted, and before the close of the fiscal year to which that budget resolution relates. As amended by H.R. 5247, section 304 of the Act remains unchanged except for deletion of a reference to "the first" budget resolution.

Because the budget resolution is to be adopted in spring, approximately eighteen months before the end of the fiscal year to which it applies, and because the economy and other factors relevant to the determination of fiscal policy and national budget priorities

can change drastically during that period, the Committee believes it is important to retain the flexibility to revise the budget resolution when necessary and appropriate.

Section 305. Provisions Relating to the Consideration of Concurrent Resolutions on the Budget

(a) Procedure in House of Representatives after Report of Committee.—This subsection establishes the procedure for consideration of budget resolutions in the House of Representatives. Floor consideration may begin after the Budget Committee report has been available to Members for five days (excluding Saturdays, Sundays, and legal holidays) or, if applicable, floor consideration may begin after a Rules Committee report made pursuant to section 301(c) has been available to Members for one day (excluding Saturdays, Sundays,. and legal holidays). General debate is limited to ten hours equally divided between the majority and minority parties. In addition, there is up to four hours debate on economic goals and policies. The budget resolution is considered in the Committee of the Whole and read for amendment under the five-minute rule. If, pursuant to section 301(f), a budget resolution includes economic goals, then an amendment changing those economic goals and the appropriate levels in the budget resolution necessary to achieve the goals of the amendment is in order. After the Committee of the Whole has reported, it is in order to adopt an amendment to achieve mathematical consistency in the budget resolution. Debate on a conference report on a budget resolution is limited to five hours equally divided between the majority and minority parties.

H.R. 5247 makes only two changes to section 305(a) in the Act. The ten day layover currently required for budget resolutions is reduced to a five day required layover. This is consistent with the accelerated timetable under H.R. 5247 and with current practice. Since 1980, the period between the time the budget resolution is reported by the House Budget Committee and the time it is adopted in the House has been 5 days or less in all but two instances. The table below shows, since 1980, when each budget resolution was reported, when it was adopted in the House and whether a rule adopted by the House providing for the consideration of the budget resolution explicitly waives the ten day layover requirement:

BUDGET RESOLUTION LAYOVER PERIOD

Budget resolution	Date reported from budget committee	Date passed House	Number of days between	Rule waiving 10-day layover requirement
H. Con. Res. 307, 1st Budget Resolution for fiscal year 1981.	Mar. 26, 1980	May 17, 1980	52	
H. Con. Res. 448, 2d Budget Resolution for fiscal year 1981.	Nov. 13, 1980	Nov. 18, 1980	5	H. Res. 810.
H. Con. Res. 115, 1st Budget Resolution for fiscal year 1982.	Apr. 16, 1981	May 7, 1981	21	
H. Con. Res. 230, (S. Con. Res. 50) 2d Budget Resolution for fiscal year 1982.	Dec. 8, 1981	Dec. 10, 1981	2	
H. Con. Res. 352 (S. Con. Res. 92) 1st Budget Resolution for fiscal year 1983.	June 7, 1982	June 10, 1982	3	H. Res. 496.
H. Con. Res. 91, 1st Budget Resolution for fiscal year 1984.	Mar. 21, 1983	Mar. 23, 1983	2	H. Res. 144.

BUDGET RESOLUTION LAYOVER PERIOD—Continued

Budget resolution	Date reported from budget committee	Date passed House	Number of days between	Rule waiving 10-day layover requirement
H. Con. Res. 282 (H. Con. Res. 280) 1st Budget Resolution for fiscal year 1985.	Mar. 31, 1984	Apr. 5, 1984	5	

Second, the layover period is made consistent with the possibility, under section 301(c), of a mandatory five day referral of the resolution to the Committee on Rules. This allows Members an opportunity to see the Rules Committee report if such report is necessitated by new matters or procedures contained in a budget resolution which have the effect of changing the rules of the House.

(b) Procedure in Senate After Report of Committee.—This subsection establishing procedures for consideration of budget resolutions in the Senate is identical to the language included in the Congressional Budget Act of 1974 for this purpose. It is anticipated that the Senate will review this subsection during its consideration of this legislation.

(c) Consideration of Procedures or Matters Which Have the Effect of Changing Any Rule of the House of Representatives.—This subsection ensures that any matter or procedure contained in a conference report on a budget resolution that has the effect of changing any rule of the House of Representatives, and that was not included in the budget resolution as passed by the House, may be subject to a motion to reject such matter or procedure. A motion to reject is debatable for forty minutes, equally divided between those in favor and those in opposition.

Some procedural changes affecting the rules of the House have originated in the Senate or in conference. This subsection creates new procedures for the consideration of such procedural changes found in a conference report. The new procedures parallel the procedures, established in clauses 4 and 5 of House Rule XXVIII, for consideration of non-germane Senate amendments in conference reports or reported from conference in disagreement. The purpose of these new procedures is to ensure that Members of the House have the opportunity to obtain a separate vote on provisions in the conference report on the budget resolution changing the rules of the House if such provisions did not appear in the resolution as passed by the House. This merely recognizes that budget procedures in the Act were enacted, as section 904 of the Act states, "as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and . . . with full recognition of the constitutional right of either House to change such rules (so far as relating to such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House." The Committee believes that Members of the House, to preserve the rulemaking powers of the House, should have the opportunity to vote separately on provisions contained in a conference report if such provisions change the rules of the House and if such provisions were not previously considered by the House.

(d) Action on Conference Reports in the Senate.—This subsection establishing procedures for consideration of conference reports on a budget resolution in the Senate is identical to the language included in the Congressional Budget Act of 1974 for this purpose. It is anticipated that the Senate will review this subsection during its consideration of this legislation.

(e) Required Action by Conference Committee.—This subsection provides that if the House and Senate conferees are unable to agree on a budget resolution after seven days, they shall report to their respective Houses on all matters in agreement or in disagreement. The language is identical to section 305(d) of the Act.

(f) Concurrent Resolution Must Be Consistent in the Senate.—This subsection requiring mathematical consistency of budget resolutions and conference reports on budget resolutions in the Senate is identical to the language included in the Congressional Budget Act of 1974 for this purpose. It is anticipated that the Senate will review this subsection during its consideration of this legislation.

Section 306. Legislation Dealing with Congressional Budget Must Be Handled by Budget Committees

This section provides that a matter within the jurisdiction of the Budget Committee may be considered only if it has been reported by that committee, or if it is an amendment to a bill or resolution reported by the committee, or if that committee has been discharged from its consideration. The language of section 306 is identical in the Act and in the Act as amended by H.R. 5247.

Section 307. House Committee Action on All Appropriation Bills to be Completed by June 10

This section requires all regular appropriations bills for the upcoming fiscal year to be reported by the House Committee on Appropriations by June 10.

Section 307 of the Act currently requires the House Appropriations Committee, to the extent practicable, to complete subcommittee markup and full committee action on all regular appropriation bills and to submit a summary report on those bills prior to reporting the first regular appropriation bill for a fiscal year.

In part, this provision was intended to ensure that all regular appropriation bills were considered and to help Congress overcome its reliance on continuing resolutions. The legislative history suggests it was also an attempt to provide for a coordinated and comprehensive consideration of appropriation bills without resort to an omnibus bill as was tried unsuccessfully in 1950. The separation of appropriation bills was maintained by the Act but no separate bill could be reported until, to the extent practicable, all had been completely considered by the full committee. This did not prove practicable. In most years, political differences over at least some general appropriation bills were so intractable that committee consideration of those bills was significantly delayed. In some cases, the regular appropriation bill was never reported from committee. It is not useful to require that all regular appropriation bills wait on completion of committee action on the most controversial ones.

In place of the current requirement, the Committee proposes a June 10 reporting deadline on the House Appropriations Commit-

tee for regular appropriations bills. In effect, this permits the Appropriations Committee to consider and report each bill separately so long as it first files section 302(b) subdivisions and so long as it reports the last one by June 10. As in the Act, it is sufficient to place the deadline on the House committee since, by long-standing tradition, the House originates all appropriation bills. For further details, see "Accelerated Timetable," under "PRINCIPAL PURPOSES".

Section 308. Reports, Summaries, and Projections of Congressional Budget Action

(a) Report on Legislation Providing New Budget Authority, New Spending Authority, New Credit Authority, or Providing an Increase or Decrease in Revenues or Tax Expenditures.—This subsection provides that any report filed in either House on legislation providing new budget authority, new spending authority, new direct loan obligations, new primary loan guarantee commitments, or providing for an increase of decrease in revenues or tax expenditures shall include the following information prepared after consultation with the Director of the Congressional Budget Office: a comparison of the discretionary action levels in the measure with the comparable levels included in section 302(b) report submitted pursuant to the latest budget resolution; a comparison of the estimated outlays expected to result from the measure with the section 302(e) subdivision of estimated outlays; an identification and justification of any new spending authority provided by the measure; a Congessional Budget Office five year projection of how the measure will affect levels of spending authority (contract authority, borrowing authority, entitlement authority, monetary credits, and residual spending authority), revenues, tax expenditures, and credit authority available under existing law; a statement of new budget authority provided for assistance to State and local governments; and a comparison of levels provided in the measure with levels provided by law for the previous fiscal year and with levels requested by the President for the budget year. This subsection also requires, for the first time, that the same information about the provisions included in a conference report, or agreed to by managers of the conference, must be made available to Members at least two hours prior to consideration of that conference report or amendments reported in disagreement.

Section 308 requires reports on spending measures to provide a reliable basis for keeping track of congressional budget action in comparison with aggregates set in the resolution and with committee allocations.

Section 308(a) as amended by H.R. 5247 expands the scope of those comparisons. In the Act, Congress was concerned with legislation providing budget authority and tax expenditures only. Under H.R. 5247, reports on legislation providing new spending authority, new credit activity or changes in the levels of revenue would also be required to include information necessary for budget scorekeeping.

Section 308(a) as amended by H.R. 5247 also requires, for the first time, that the scorekeeping information about committee amendments and conference reports must be made available.

Under H.R. 5247, also for the first time, scorekeeping information on outlays will be required. In the legislative history of the Act, section 308(a) was connected with failed efforts to set outlay limitations in spending bills. Some observers believe the Budget Act was born in the conflict over President Nixon's call for Congress to enact a $250 billion ceiling on fiscal year 1973 outlays. The ensuing clash culminated in P.L. 92-599, a bill raising the statutory limit on the debt, establishing a $250 billion ceiling on outlays and providing that the outlay ceiling would cease to have effect one day after the bill became law. Significantly, as enacted, section 308(a) did not require comparisons of estimated outlays expected to result from the pending measure with outlay targets in the resolution. As amended by H.R. 5247, the Act now requires outlay comparisons.

H.R. 5247, in this section and in section 302, requires significant information to be available so that Congress will be fully aware of the implications of its legislation on levels of outlays in comparison with outlay targets set forth in the budget resolution. The deficit is determined by the level of outlays compared with the level of revenue. With the current deficit crisis, the Committee believes it is appropriate to focus more attention on outlays. Because outlays are not directly controlled by Congress, the Committee believes outlays should not be the subject of direct limitations. However, the Committee is convinced that further information on outlays must be provided and highlighted, as is required by changes to section 308 and section 302.

Finally, H.R. 5247 requires the relevant reports to include comparisons with budget levels provided in the previous fiscal year and with levels requested by the President for the upcoming fiscal year. This information will provide a useful basis for comparison. Committee reports on spending bills, based on the provisions of section 308(a) as amended, will provide quick reference comparison between the levels provided in the bill and levels adopted in the budget plan, levels provided in last year's completed action and levels recommended in the most recent requests by the President.

(b) Up-to-Date Tabulations of Congressional Budget Actions.—This subsection requires the Congressional Budget Office to issue monthly budget status reports to the committees of the House and the Senate on measures providing new budget authority, new spending authority, new direct loan obligations, new primary loan guarantee commitments, and making changes in revenues or tax expenditures. These reports shall include comparisons of aggregate and functional levels (including outlays) included in the latest budget resolution and allocations for discretionary action made under section 302 pursuant to the latest budget resolution, with levels provided in bills and resolutions reported by committees or adopted by either House or by the Congress. For the first time, comparisons will be required of levels provided in bills or resolutions with levels provided by law for the previous fiscal year and with levels requested by the President for the budget year. In addition, also for the first time, the Budget Committees are required to make available to members of their respective Houses summary scorekeeping reports based on the CBO tabulations. The Budget Committee summary scorekeeping reports must be made available

frequently enough (at least monthly) to provide an up-to-date, accurate representation of congressional budget action. In the House, the Budget Committee summary scorekeeping reports must be submitted to the Speaker and printed as House documents. For further details, see "Strengthened Controls" under "PRINCIPAL PURPOSES".

In the Act, section 308(b) simply requires "periodic" CBO budget status reports and does not specify that these are to be issued to committees.

(c) Five-year Projection of Congressional Budget Action.—This subsection requires the Congressional Budget Office to issue at the start of each fiscal year a report projecting for each of the next five years new budget authority, outlays, revenues and their major sources, the surplus or deficit, tax expenditures, entitlement authority and credit authority.

In the Act, section 308(c) required projections of new budget authority, outlays, revenues, surplus or deficit, and tax expenditures. H.R. 5247 adds entitlement authority and credit activity to the list.

Section 309. Approval of Regular Appropriation Bills

(a) Approval by the House.—This subsection prohibits consideration of an Independence Day district work period resolution until the House has approved all the regular appropriation bills for the upcoming fiscal year.

(b) Approval by the Senate.—This subsection requires the Senate to approve all regular appropriations bills for the upcoming fiscal year by August 15.

Section 309 of the Act set a deadline (seven days after Labor Day) for enactment of regular appropriation bills and entitlement legislation. After the deadline, however, there is no sanction against considering such legislation. The section, therefore, encourages rather than requires enactment by the seventh day after Labor Day. In addition, section 309 of the Act explicitly noted that the deadline shall not apply if the necessary authorizing legislation has not been timely enacted.

Under H.R. 5247, the new deadline in the House carries a sanction. The House may not consider a resolution (necessary for any adjournment of more than three days) for its traditional July 4th recess until it has completed action on regular appropriation bills. Section 310(e) also denies the House this recess until it completes action on any reconciliation legislation (which would include any entitlement reductions) directed by the budget resolution.

The Committee recognizes that even with this sanction, Congress may not meet its deadlines and may continue to rely on continuing resolutions. The Committee considered various options, including a permanent or automatic continuing appropriation as contained in H.R. 2025, introduced by Mr. Mineta, and in H.R. 2777, introduced by Mr. Dingell. Such an automatic continuing appropriation might force Congress to act on regular appropriation bills and end its reliance on continuing resolutions. The Committee believes further study of these options is called for. At the request of Chairman Pepper the General Accounting Office is studying and assessing various options for automatic continuing appropriations.

Section 310. Reconciliation

(a) Inclusion of Reconciliation Directives in Concurrent Resolutions on the Budget.—This subsection requires a budget resolution, to the extent necessary to effectuate the resolution, to direct committees to recommend legislation that achieves specified changes in the amounts of budget authority, spending authority, direct loan obligations or loan guarantee commitments, revenues, or tax expenditures (excluding the effect of changes in tax rates) provided by laws within its jurisdiction. Reconciliation instructions may direct committees to recommend changes to achieve specific amounts of budget reductions or increases for the upcoming fiscal year, or for the total of the upcoming fiscal year and the two ensuing fiscal years. Reconciliation instructions shall also include an estimate of the resulting change in outlays.

Roughly sixty percent of all outlays in any particular year results from permanent and mandatory appropriations and virtually all revenue is collected on the basis of existing law. The only way to reconcile the level of revenue or permanent spending with the aggregates in the budget resolution is to change existing law. The reconciliation process is the best tool available by which Congress can direct its committees to review existing laws within their jurisdictions and to report recommended changes to achieve adjustments in spending and revenue consistent with the budget resolution.

H.R. 5247 preserves and strengthens the reconciliation process. It expands the scope of matters subject to reconciliation. In the Act, budget authority, entitlement authority, revenues and the statutory limit on the debt are subject to reconciliation. H.R. 5247 adds all forms of spending authority (including contract authority, borrowing authority, monetary credits and any residual spending authority), direct loan obligations, primary loan guarantee commitments and tax expenditures and drops the statutory limit on the debt.

(b) Legislative Procedure.—In either House, if the changes specified by the budget resolution are within the jurisdiction of only one committee, that committee shall promptly report a reconciliation bill or resolution to its House. If more than one committee in either House has been directed to make changes in matters within its jurisdiction, then all such committees shall submit their recommendations to the Budget Committee of their House. The Budget Committee shall then report the reconciliation legislation, without substantive change. This subsection is substantially the same as section 310(c) of the Act.

(c) Procedure in the House of Representatives.—This subsection permits the Rules Committee to make in order amendments to reconciliation legislation to achieve a reconciliation directive, if a committee fails to submit legislation pursuant to its budget resolution directive.

The purpose is to give the House the opportunity, in reconciliation legislation, to work its will on matters it has agreed to, in broad outline, in the resolution. When Congress expresses its will in a budget resolution that certain deficit reductions should be found in programs under the jurisdiction of certain committees and there is no legislation reported upon which Congress can act to

achieve those deficit reductions, it is an institutional crisis. If such a crisis should arise, the Rules Committee should work with the leadership, the committee(s) of jurisdiction and the House Budget Committee in order to provide a legislative vehicle for such changes.

(d) Procedure in the Senate.—This subsection establishing procedures for Senate consideration of reconciliation measures is identical to the language included in the Congressional Budget Act of 1974 for this purpose. It is anticipated that the Senate will review this subsection during its consideration of this legislation.

(e) Completion of Reconciliation Process in the House of Representatives and in the Senate.—This subsection prohibits the House from considering a resolution providing for the Independence Day district work period until the House has completed action on reconciliation legislation for the upcoming fiscal year. The Senate is required to complete consideration of reconciliation legislation by August 15.

In the Act, section 310(d) sets September 25, five days before the start of the fiscal year, as the date by which Congress must complete action on a reconciliation bill or resolution. Section 310(f) in the Act bars Congress from adjourning sine die until it has completed action on a *second* resolution and reconciliation, if so directed in the resolution. Under H.R. 5247, the schedule for reconciliation matches the schedule for adoption of regular appropriation bills. The sanction in the House against not meeting the deadline is postponement of the traditional July 4th recess.

Section 311. New Budget Authority, New Spending Authority, New Credit Authority, and Revenue Legislation Must Be Within Appropriate Levels

(a) Legislation Subject to Point of Order.—This subsection prohibits consideration in the House or the Senate of legislation providing budget authority, spending authority, direct loan obligations or primary loan guarantee commitments, or reducing revenues for the upcoming fiscal year, if enactment of such legislation would cause the totals for such authorities, or for revenues, or the total for budget outlays set forth in the most recently enacted budget resolution to be breached.

In the Act, section 311(a) establishes a point of order to ensure that legislation is not considered if it would cause the budget authority, outlay or revenue aggregates set in the *second* resolution to be breached. In current practice, however, if Congress has not completed action on a second resolution by the start of a new fiscal year on October 1, the section 311(a) point of order applies if a measure would cause the appropriate aggregates in the *first* resolution to be breached.

Under H.R. 5247, there is no required second resolution. The aggregates in a resolution are binding and section 311(a) applies immediately upon adoption. Also under H.R. 5247, all the aggregates in a resolution (including total entitlement authority and total levels of credit activity) are protected by the section 311(a) point of order.

(b) Exception.—This subsection provides that the point of order established by subsection (a) shall not apply to legislation within

the jurisdiction of a committee, if that legislation would not cause the committee's allocation for discretionary action to be breached.

Under the Act, there is no similar exception. In current practice, however, if Congress has not completed action on a second resolution by the start of a new fiscal year and section 311(a) applies to the aggregates in the first resolution, then a similar exception applies. Measures are not subject to a point of order if they would not cause the appropriate committee allocation of new discretionary budget authority or discretionary entitlement authority to be exceeded.

The purpose of the exception is to maintain the principle of committee accountability. Committee accountability implies that if a committee lives within the limits set for it by Congress in a budget resolution, the committee need not fear procedural impediments to the consideration of its legislation. For further details, see "Strengthened Controls", under "PRINCIPAL PURPOSES".

For example, unexpected economic developments may, even without legislative action, cause spending to be higher than anticipated in the resolution. If there were no section 311(b) exception, a committee reporting a measure within its allocation for discretionary action would find its legislation subject to a point of order for further breaching the spending aggregates in the resolution. Members may choose to reduce spending on whatever is before them, even if that legislation is within the allocated budget levels. The Committee believes, however, that procedural constraints on legislation conforming to those allocations are not appropriate. Instead, information about the impact of legislation on adopted aggregate budget levels should be available to Members (and other sections of H.R. 5247 ensure that the information will be available) so that Members may decide whether in the pending legislation even though that legislation is below the levels allocated to a committee.

With this subsection and the new section 312 established by H.R. 5247, committees are held fully accountable for the legislative assumptions behind the aggregates in the resolution. If a committee lives within the limits allocated to that committee, committee measures are free of procedural obstacles. If not, measures reported by that committee may not be considered.

(c) Determination of Budget Levels.—This subsection provides that estimates prepared by the Budget Committees of the appropriate House shall be the basis for determining whether legislation is subject to the point of order established by subsection (a).

Section 311(c) is similar to section 311(b) of the Act. In the Act, the Budget Committees are assigned the task of estimating outlays and revenues for the purpose of determining whether a measure would cause the outlay and revenue totals in the resolution to be breached. Under the Act, the Budget Committees are not explicitly assigned the task of estimating budget authority. Appropriation bills specify the amount of budget authority provided and that is the reason for the exclusion of budget authority. Some other legislation providing budget authority, however, does not specify the amount and the estimate of budget authority may depend on economic, demographic or other factors external to the legislation.

Under H.R. 5247, the Budget Committees have the responsibility for estimating levels of new budget authority, spending authority,

and credit activity as well as outlays and revenues. These estimates, however, will be made in accordance with scorekeeping rules and practices under the review of the Member User Group established under section 204 of H.R. 5247.

Section 312. Committee Allocation Controls

(a) Legislation Subject to Point of Order.—This subsection prohibits its consideration in the House or the Senate of legislation providing budget authority, spending authority, direct loan obligations, primary loan guarantee commitments, reducing revenues or increasing tax expenditures for the budget year, if enactment of such legislation would breach the allocation for discretionary action for these authorities for the committee of jurisdiction.

There is no section 312 in the Act and no similar control under current practice. In current practice, however, as noted above, there is an exception to the application of section 311(a). If by October 1 Congress has not completed action on a second budget resolution for the fiscal year commencing that date, section 311(a) applies if the levels set forth in the first budget resolution would be breached. However, the section 311 point of order will not lie against a measure reported by a committee that is within its allocated budget levels. The major difference between current practice and H.R. 5247 on the question of committee accountability is that only under H.R. 5247 would a measure be subject to a point of order, if it would cause the reporting committee's allocation to be breached even though it would *not* cause aggregate levels set forth in the budget resolution to be breached. This new procedural control is at the center of the system of enforcement. It establishes the principle of committee accountability. It is tied to the allocations made pursuant to section 302(a).

(b) Determination of Budget Levels.—This subsection provides that estimates prepared by the Budget Committees of the appropriate House shall be the basis for determining whether legislation is subject to the point of order established by subsection (a). It is similar to section 311(c) under H.R. 5247, adding estimates of tax expenditures to the list of estimates for which the Budget Committees are responsible.

TITLE II—AMENDMENTS TO TITLE IV OF THE CONGRESSIONAL BUDGET ACT OF 1974

Section 201. New Spending Authority

The term "spending authority" was introduced by the Joint Study Committee whose proposals for budget reform led to the Congressional Budget Act of 1974. Spending authority describes legislation providing the authority to enter into contracts, to borrow, to make payments on entitlements or to otherwise incur obligations outside of or prior to the annual appropriations process. This is also referred to as backdoor spending. Section 401 of the Act defined three types of spending authority (contract, borrowing and entitlement authority). With certain exceptions, section 401(a) prohibits consideration of legislation providing new contract or borrowing authority. Section 401(b) in the Act sets limits on legislation providing entitlement authority.

Under H.R. 5247, all forms of spending authority are subject to limitation. Entitlement authority is limited by the total agreed to in the budget resolution and by the committee allocation process. Legislation providing other forms of new spending authority may not be considered unless the spending authority is limited to the extent provided in appropriation acts.

Section 201(a) amends the heading of section 401(a) of the Congressional Budget Act of 1974 to read: "Controls on Legislation Providing Contract or Borrowing Authority," and it makes the section applicable to conference reports as well as bills and resolutions.

Section 201(b) Strikes the language of section 501(b) of the Congressional Budget Act and substitutes a new provision. Under the Act, section 401(b)(1) prohibits consideration of measures providing new entitlement authority first effective before "the first day of the fiscal year which begins during the calendar year in which such bill or resolution is reported." Congress is also prohibited, by section 303 of the Act, from considering legislation which provides new entitlement authority for a fiscal year before the first budget resolution for that fiscal year has been adopted. Without section 401(b)(1), entitlement legislation could be enacted to provide new entitlement authority effective after the first budget resolution but before reconciliation, if directed in the second resolution. The purpose of section 401(b)(1) is to ensure that new entitlement legislation is subject to the reconciliation process if reconciliation instructions are included in the second budget resolution. The Committee believes section 401(b)(1) is unnecessary under H.R. 5247 because reconciliation directives will be included in the spring resolution.

In the Act, sections 401(b)(2) and (3) provide a mandatory referral of entitlement legislation to the Appropriations Committees, if such legislation would cause the appropriate section 302(b) subdivision of new budget authority to be breached. The Committee believes the mandatory referral is also unnecessary under H.R. 5247. Committees would receive an allocation for discretionary action of new entitlement authority, based on the level of total entitlement authority agreed to in the budget resolution, and their legislation would be subject to a point of order if it would cause the committee's allocation to be breached. The Committee reaffirms the principle of committee accountability and contends that procedural controls based on section 302(b) subdivisions by subcommittee or program would disperse responsibility and weaken control. For further details, see the section "Strengthened Controls" under "PRINCIPAL PURPOSES."

The new section 401(b) prohibits consideration of any provision of legislation that provides monetary credits or residual spending authority (described by subparagraphs 401(c)(2) (D) and (E) of the Congressional Budget Act as amended by H.R. 5247) unless that provision also limits the use of such authority to the extent provided in appropriation acts.

The prohibition against monetary credits in H.R. 5247 is intended to prevent legislation which authorizes government agencies to obtain property, mineral rights, or goods or services from private individuals or corporations in exchange for a reduction in payments due the federal government from the individual or corporation (for instance, a reduction in royalty payments due for minerals

mined on federally owned land). Monetary credits currently escape ordinary congressional budget process review. Under current definitions and scorekeeping rules, no budget authority or entitlement authority is provided by such legislation. Legislation providing monetary credits has a very definite effect on the federal budget, however, since reductions in receipts coming into the Treasury increase the deficit just as much as outlays coming out of the Treasury.

The prohibition against residual spending authority is intended to limit expenditure of federal funds by financing mechanisms not specifically described in the Congressional Budget Act of 1974, as amended by H.R. 5247. Such funding mechanisms currently escape the scrutiny of annual appropriations review. Section 401 establishes the burden of proof on those seeking to escape budget scrutiny to justify the use of such mechanisms. The legislation will be subject to a point of order unless a waiver of the prohibition is granted. A waiver should be granted only in cases where the unusual financing mechanism is especially appropriate. There should be a strong presumption in favor of funding federal activities through the appropriations process. For further details, see "PRINCIPAL PURPOSES".

Section 201(c) defines "new" spending authority described by subsection (d) as spending authority first effective after subsection (d) becomes effective.

Section 201(d) describes two new forms of spending authority. The first, to be defined in a new section 401(c)(2)(D) of the Act, is monetary credits. This is authority to forego collection of proprietary and offsetting receipts which is not provided in advance by appropriation acts. The second, to be defined in a new section 401(c)(2)(E) of the Act, is residual spending authority. This consists of all forms of spending authority for the United States Government to make payments other than those already described by the Act (i.e., contract authority, borrowing authority, entitlement authority, monetary credits), and other than authority provided by appropriation Acts.

Section 201(e) establishes a new subsection 401(e) of the Congressional Budget Act which provides that estimates of new entitlement authority for a fiscal year shall be based on an estimate of changes from current law at the time the legislation providing the new entitlement authority is considered. Under this provision, an estimate of new entitlement authority would be measured as the cost or the savings compared with existing entitlement law at the time the legislation is considered for each year in which entitlement authority is effective, not only in the year it is first effective. Suppose the budget resolution assumes new legislation providing permanent or indefinite entitlement authority first effective at the end of fiscal year 1986. The cost in fiscal year 1986 will be relatively small. To estimate the cost of such legislation, the entitlement authority that would be provided in the fiscal years after 1986 only if this legislation is enacted must also be counted. This subsection provides that estimates will be made in this way. To enforce the budget resolution legislative assumptions, controls must be placed on the budget impact of such legislation in future fiscal years. Under H.R. 5247, the report and joint explanatory statement on

the budget resolution will allocate the amount of total new entitlement authority for fiscal years covered by the budget resolution among committees with jurisdiction. This subsection provides that estimates of new entitlement authority provided by legislation are made in a manner consistent with the allocation process.

Section 202. Credit Authority

This section strikes the language of section 402 of the Budget Act and substitutes new provisions. Section 402(a) of the Act sets a deadline of May 15 before the start of a fiscal year for *reporting* measures making authorizations for that fiscal year. Section 402(a) also prohibits consideration of authorizing legislation if it is reported after the deadline. Sections 402 (b), (c) and (d) provide a procedure for waiving the section 402(a) point of order. Section 402(e) exempts certain measures from the section 402(a) point of order. Section 402(f) is discussed below.

The Committee believes that subsections (a)–(e) of section 402 in the Act, which set a deadline for reporting authorizations, are counterproductive. The deadline encourages committees to report on or immediately before May 15, but this does not leave sufficient time for the authorization and appropriations processes. The reporting deadline was a controversial provision in the Act. As originally proposed by the Joint Study Committee and as reported and adopted in the House, the bill set March 31 as a deadline for *enacting* authorizations. An enactment deadline fits with clause 2(a) of Rule XXI which prohibits appropriations in a general appropriation bill for expenditures not previously authorized by law. In current practice, many measures making authorizations for the next fiscal year are reported on or near May 15 each year, as the Act requires. To satisfy clause 2(a) of Rule XXI, however, those authorizations must be adopted by both Houses and signed into law before the House *considers* regular appropriation bills making appropriation for the items authorized. However, the House must complete consideration of regular appropriation bills early in the summer (prior to the July 4 recess) if regular appropriation bills are to be enacted before the start of the fiscal year. There simply is not sufficient floor time between May 15 and July 4 to enact necessary authorizations reported around May 15 and to complete House action on all regular appropriation bills.

Congress is already on record in opposition to an enactment deadline. To provide a reporting deadline earlier than May 15 will result in the same clustering of reported authorizations around a single date and will not provide sufficient time for full consideration of them all. Instead, the Committee believes that the June 30 deadline for House action on appropriation measures will encourage the authorizing committees to set their own schedules to facilitate enactment of authorizations in a timely manner. Floor time in early summer is dedicated primarily to action on appropriations. Authorizing legislation must, therefore, be in place before the beginning of June. Thus, the early months of the year should be dedicated primarily to committee and floor consideration of authorizing legislation. In January, CBO will report on expiring authorizations. The House Leadership will then have the information and the flexibility to schedule necessary authorization legislation. For fur-

ther details, see "Accelerated Timetable", under "PRINCIPAL PURPOSES".

Section 402(f) of the Act directs the Appropriations Committees to study provisions of law making permanent appropriations or providing spending authority and to report, from time to time, recommendations for terminating or modifying such provisions. The Committee believes this study is more properly in the province of a congressional support agency. Section 204 of HR. 5247 requires GAO to study and make recommendations on these matters.

The new section 402 contained in section 202 of H.R. 5247 prohibits consideration of legislation providing authority to incur new direct loan obligations or new primary loan guarantee commitments unless that legislation also limits the use of such authority to the extent provided in appropriation acts. This provision affects legislation considered after the date on which this section becomes effective. This section also defines, for purposes of the Act, "new credit authority" and "credit authority."

The Committee recognizes that direct loans and loans guarantees are often efficient means to achieve useful public objectives. This section is not intended to, nor, in fact, would it, inhibit the use of credit instruments for public ends. The growth of federal credit activity since the Congressional Budget Act of 1974, however, has been rapid. The total amount of federal and federally assisted lending has increased 239% since 1974, reaching $86.5 billion in fiscal year 1983. Some Members contend that the rapid growth of federal credit activity is due, in part, to enhanced scrutiny and tightened controls on other forms of spending.

The Committee believes that the burden of proof should fall on those who wish to provide credit in a manner that escapes the vigorous scrutiny of regular appropriation bills. In the future, the norm should be that new credit activity is limited to amounts provided in appropriation acts. Legislation providing backdoor credit activity would require special justification and a waiver of the new section 402(a) prohibition in order to be considered. Such waivers should be considered only in cases where the backdoor financing is clearly appropriate.

Section 203. Description by Congressional Budget Office

This section amends section 403 of the Act. Section 403 of the Act requires the Congressional Budget Office to prepare cost analyses of all legislation "of a public character" reported from committees other than the Committees on Appropriations. Section 308 of the Act sets out the requirements for bills and resolutions reported from the Committees on Appropriations. H.R. 5247 amends section 403 of the Act to require the Congressional Budget Office to provide, in the cost estimate required for any bill or resolution of a public character, a description of each method for establishing a Federal financial commitment contained in that legislation. This new requirement is intended to provide information on backdoor financing mechanisms and to ensure that Members are aware that such mechanisms are contained in the legislation when the measure is under consideration.

Section 204. General Accounting Office Study

This section amends title IV of the Congressional Budget Act by adding the following three new sections:

Section 405 of the Congressional Budget Act Study by the General Accounting Office of Forms of Federal Financial Commitment that Are not Reviewed Annually by Congress

This section requires the General Accounting Office to study all provisions of law providing permanent appropriations and providing spending authority described by section 401(c)(2) of the Congressional Budget Act (contract authority, borrowing authority, entitlement authority, monetary credits, and residual authority). The GAO must report to Congress its recommendations on the appropriate form of financing for all programs and activities financed by these provisions. The report is due eighteen months from the effective date of this section and shall be revised from time to time. This section replaces section 402(f) of the Act (struck by section 202 of H.R. 5247) which required the Appropriations Committees to study and make recommendations on these matters. The subject matter of the report is more appropriately the work of a congressional support agency than a congressional committee.

On the whole, the Committee believes there should be a presumption in favor of funding Federal activities through the annual appropriations process. In that way, all programs and activities are subject to regular review by authorizing and Appropriations committees and no programs and activities are granted special advantage by the congressional budget process. In certain cases, however, backdoor mechanisms are most appropriate to ensure the aims of the programs or activities being funded. For further details on the effect of provisions of H.R. 5247 concerning backdoor financing, see "Strengthened Controls," under "PRINCIPAL PURPOSES."

Section 406 of the Congressional Budget Act. Off-Budget Agencies, Programs and Activities

The Committee believes the documents used for Congressional budget decisions should provide a complete picture of Federal financial activities.

Section 406(a) requires the budgetary activities of the following Federal entities to be included in the totals of the unified budget submitted by the President and considered by Congress: the Federal Financing Bank, the Rural Electrification Administration and Rural Telephone Bank, the Strategic Petroleum Reserve Petroleum Account, the United States Synthetic Fuels Corporation, the United States Railway Association, the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, and the Federal Hospital Insurance Trust Fund.

In accordance with existing law, these entities are excluded (or will be excluded beginning in fiscal year 1993, in the case of the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, and the Federal Hospital Insurance Trust Fund) from the unified budget submitted by the President and from congressional budget resolutions.

The financial activities of off-budget entities, however, have the same impact on the economy as do the activities of Federal agencies included on budget. For that reason, the Committee recognizes only one persuasive reason to exclude financial activities from the Federal budget; namely, that such activities are wholly or largely independent of the Federal government.

Government-sponsored enterprises are excluded from the unified budget under current law and under H.R. 5247. Government sponsored enterprises are controlled by privately owned enterprises and are largely independent of the Federal government, though they are established by the Federal government and in some cases subject to some Federal supervision. The current budget treatment is appropriate given the independence and private ownership of these enterprises.

The Committee also believes that the U.S. Postal Service and the Board of Governors of the Federal Reserve System should continue to be *partially* excluded from the unified budget. The partial exclusion is consistent with their degree of independence. All Federal subsides and reimbursements to the Postal Service are now and would continue to be *included* on budget. The net profits of the Board of Governors of the Federal Reserve are now and would continue to be *included* on budget. Only the non-federal reimbursements to the Postal Service are and would continue to be *excluded* and only the assessments levied on Federal Reserve Banks to cover salaries and expenses of the Board of Governors (no appropriations by Congress cover those matters) are and would continue to be *excluded.*

Section 406(b) assigns resulting budget outlays to the Federal agency responsible for originating directions or loan guarantees which are then financed by the Federal Financing Bank. This is a simple accounting change intended to make the credit budget more informative.

This subsection is consistent with P.L. 93-244 which established the Federal Financing Bank. The statute provides that the budget status of the FFB should not affect the budget treatment of Federal agencies dealing with the Bank. Under current practice, however, the FFB indirectly affects budget treatment by reducing the level of net outlays attributed to an agency. By the accounting change proposed in this subsection, H.R. 5247 ensures that FFB transactions will not affect the budget treatment of other Federal agencies. For further details, see "Expanded Coverage," under "PRINCIPAL PURPOSES."

Section 406(c) provides that reported legislation excluding the financial activities of a department, agency, program or activity from the totals of the unified budget submitted by the President or considered by the Congress shall be referred to the Committee on Government Operations, which shall have jurisdiction to report the legislation with an amendment to strike or amend the provisions having this effect.

The Government Operations Committee has the expertise to determine the appropriate budget treatment for Federal agencies, activities, departments and programs. Such matters require careful review and this provision is intended to encourage deliberate, thorough consideration of measures providing off-budget status. There

may be need in the future to provide off-budget status to certain Federal entities. The Committee, however, agrees with the 1967 President's Commission on Budget Concepts, that "exceptionally persuasive reasons" must be provided for exclusion. The mandatory referral to the Government Operations Committee puts the burden of providing persuasive reasons on those seeking off-budget status.

Section 407 of the Congressional Budget Act. Member User Group

This section requires the Speaker, after consultation with the Minority Leader, to appoint a Member User Group, which shall review the scorekeeping rules and practices of the House and report to the Speaker from time to time on their effect and impact. It also provides that estimates made by the House Budget Committee under section 311(c) and 312(b) shall be made in accordance with these scorekeeping rules and practices.

Scorekeeping rules are necessary to provide a basis for applying procedural controls and for gauging the consistency of reported measures with the budget resolution targets. In recent years, the debate over budget policy has intensified and new budget enforcement procedures have been implemented. Scorekeeping conventions have evolved. The Member User Group is intended to promote support for the often complicated system of scorekeeping rules, precedents and conventions. The Member User Group will provide a forum to assure Members that the system is impartial and efficient and to promote changes where necessary and appropriate. As result, the Member User Group will ensure that the affected parties are fully informed about the rules and will encourage compliance. This section is not intended to interfere in any way with the authority of the Chair to rule on points of order or with the responsibility of the Parliamentarian to advise the Chair on such rulings.

TITLE III—ADDITIONAL PROVISIONS TO IMPROVE BUDGET PROCEDURES

Section 301. Definitions

Section 301(a) amends section 3 of the Congressional Budget Act to include "the authority to collect offsetting receipts" in the definition of budget authority.

Offsetting receipts are payments to an agency or directly to the Treasury, with the exception of amounts raised by taxes and certain user fees. According to the staff manual, "Scorekeeping Rules and Enforcement Procedures Used by the House Budget Committee", November 21, 1983, offsetting receipts are scored as an offset or as negative budget authority and negative outlays. If the level of offsetting receipt is reduced, then net budget authority and outlays are, of course, increased. However, scorekeeping practices are not always the same as enforcement procedures. Legislation decreasing the level of offsetting receipts may not "provide budget authority" under the definition of budget authority in the Act and therefore may not be subject to the constraint of section 311 (and section 312 of H.R. 5247) which would only apply if such legislation provides budget authority.

In his testimony before the Rules Committee Task Force on the Budget Process, Representative Rostenkowski, Chairman of the Ways and Means Committee, spoke of the Ways and Means Committee's special position in "approaching deficit reduction measures" both through spending reductions and by raising taxes, tariffs, or offsetting receipts. He commented:

> To date, the budget process has not adequately recognized this unique characteristic in allowing the committee to most appropriately meet its budget goals. For example, in assessing our current deficit situation, the committee has been reviewing, among other things, the imposition of selected fees designed to offset government costs. Such changes contribute to the reduction of the deficit just as significantly as direct spending reductions. They are, however, not recognized as such in the budget process."

The Committee concludes that the definition of budget authority in the Act should be clarified so that providing the authority to collect offsetting receipts is clearly a case of providing budget authority.

Section 301(b) adds two definitions to section 3 of the Congressional Budget Act. The new paragraph 6 of section 3 defines "allocation for discretionary action" as an amount assigned to the committee of jurisdiction for the purpose of enforcing the assumptions, on which the budget resolution levels are based, about legislative action to change levels of budget authority, spending authority, direct loan obligations, primary loan guarantee commitments, or changes in revenues or tax expenditures (excluding the effect of changes in tax rates) from levels provided under current law.

Section 302(a) of the Act provides that "allocations for discretionary action" will be made to committees of jurisdiction and section 312(a) prohibits consideration of any measure that, if enacted, would cause the allocations to be breached.

Allocations of new budget authority for programs funded through annual discretionary appropriations will be for the amount assumed to be appropriated. For spending resulting from legislative changes to existing law, spending allocations will be made to the committee with jurisdiction. The allocations will be positive in the case of anticipated increases for such programs. They will be negative in the case of anticipated savings in such programs. If both increases and savings are anticipated in programs within the jurisdiction of one committee, the allocation to that committee will be the net of the positive and negative amounts.

Allocations of new entitlement authority will be made for assumed increases (or decreases) in spending in entitlement programs, if the increases (or reductions) are expected as the result of legislative action. Allocations of new budget authority will not include amounts to cover new entitlement authority if the new entitlement authority is allocated. This will prevent double counting. Increases (or decreases) in budget authority or entitlement authority anticipated to result from a change in demographics, program participation rates or other external factors will be assigned to the committee of jurisdiction (under section 302(e)) for information, not

for purposes of procedural enforcement. Thus, allocations for discretionary action will not include these amounts. For further details, see "Strengthened Controls," under "PRINCIPAL PURPOSES."

Section 302. Congressional Budget Office

Section 302(a) amends section 201(a)(2) of the Congressional Budget Act. The Speaker and the President pro tempore of the Senate shall receive recommendations of committees of the respective Houses before appointing the Director of the Congressional Budget Office. Under the Act, the Speaker and President pro tempore receive recommendations from the Committees on the Budget.

Section 302(b) amends section 202(f)(1) of the Congressional Budget Act to require submission of the annual CBO reports to the Budget Committees by February 15 of each year. The Act requires these reports on or before April 1. The February deadline is consistent with current practice. In 1984, for example, they were submitted on February 7 and 8.

Section 302(c) amends section 202(f) of the Congressional Budget Act by adding paragraphs (3) and (4). Paragraph (3) requires the Director to submit to the Congress by the first Monday after January 3 a report listing all programs and activities lacking authorizations of appropriations in the upcoming fiscal year. The list should include programs and activities for which authorizations will expire before the end of the upcoming fiscal year (including authorizations that will expire during the current fiscal year and authorizations that will expire during the next fiscal year). The list should also include programs and activities for which authorizations of appropriations have already expired but for which appropriations were made in the current fiscal year.

The purpose of this requirement is to help Congress use the early months of the year to adopt authorizing legislation which must be in place before the thirteen regular appropriation bills can be considered. Existing rules in both Houses, dating from the early nineteenth century, prohibit appropriations for expenditures not previously authorized by law.

The Congressional Budget Office report will provide information needed to schedule committee and floor consideration of authorizing legislation in a manner that will prevent delays in the consideration of regular appropriations bills. It is the recommendation of this Committee that the House leadership, guided by the Congressional Budget Office report, establish and announce a schedule for the months between January and June under which authorizing legislation would be considered.

Paragraph (4) sets forth requirements concerning Congressional Budget Office baseline projections. Congressional Budget Office projections are intended to show what Federal spending and revenues would be in future years if current policies were continued without change. These projections are used by the Budget Committees to develop budget resolutions and are often raised in the debates on appropriation bills and other spending measures. Under current practice, the budget baseline projections of spending distinguish between spending that is provided in annual appropriation bills and spending that results from existing law. Spending resulting from

existing law is projected on the assumptions that existing law will not be changed and that demographics, program participation rates and other external factors will follow their historical trends. Discretionary appropriations are projected on the assumption that new appropriations will be enacted providing the current level of funding with an adjustment for inflation. In the Congressional Budget Office projections released on February 7, 1984 (and in prior years), however, not all discretionary appropriations were projected on this basis. Projections for defense spending were based on the levels set forth in the previous fiscal year's budget resolution. These levels were higher than the levels actually provided in enacted appropriations bills. Projections for all other discretionary appropriations were based on current funding provided in the most recent appropriation law.

Given the purposes for which the Congressional Budget Office baseline projections are used, it is essential that the baseline be neutral, objective and fair. Thus, the meaning of "current policy" should not change from appropriation account to appropriation account. The new requirement, established by this subsection, defines baseline projection for the first time. The definition allows for the relation between budget authority and outlays to be projected on the basis of historical trends that may differ among appropriations accounts and permits the inflation adjustment to fit the account. The meaning of current policy for the purpose of projecting levels of spending based on the continuation of current policy, however, is the same for all spending that results from existing law and the meaning is the same for all discretionary appropriations. In the case of permanent or multiyear authority, the projections shall be made based on the assumption that current laws continue unchanged, except that temporary provisions will be assumed to continue if such provisions are routinely extended. Baseline projections of discretionary appropriations will assume current year funding, based on the most recent enacted provisions of law, with an adjustment for inflation.

Section 302(d) adds subsections (h) and (i) to section 202 of the Congressional Budget Act. Subsection (h) requires the Director of the Congressional Budget Office to conduct studies to enhance comparisons of budget outlays, credit activity, and tax expenditures.

Current attempts to compare spending programs, credit activity and tax expenditures function by function are hindered by lack of common measures, by legitimate questions about the real cost to the Federal government of credit activity or tax expenditures and by other technical impediments. The purpose of the requirement is to facilitate comparisons among programs with similar objectives but different forms of financing.

The Congressional Budget Office has begun such studies. The results should facilitate reevaluation of the mix of funding mechanisms used to achieve the same public policy objectives. The committee believes such reevaluation by the Budget Committees and the committees of jurisdiction may increase efficiency in achieving public policy objectives.

Subsection (i) requires the Director, after consultation with the Joint Committee on Taxation, to submit to the Congress by February 15 of each year an inventory of tax expenditures, the items of

which will be regarded as tax expenditures for the purposes of the Congressional Budget Act.

Section 3(3) of the Act defines tax expenditures. Tax expenditures are identified in tax expenditure budgets on the basis of this definition. In recent years, some differences have distinguished the Administration's tax expenditure budget from Congress'. There is no disagreement over the definition, however, only over its application. Even here there is substantial agreement. Of 108 provisions identified as tax expenditures for fiscal year 1985, there is disagreement concerning only three items: deductibility of patronage dividends and certain other items of cooperatives, treatment of capital gains at death and what portion of the treatment of depreciation under certain circumstances in a tax expenditure.

The Congressional Budget Office inventory required under H.R. 5247 will provide an impartial and objective list of tax expenditures. The list will serve as the basis for agreement, in the budget resolution, on the appropriate amount by which the level of tax expenditures should be changed. The inventory will serve to encourage debate on matters of policy, not technical questions of identification. The inventory will also limit conflict on the application of procedures that enforce the level of change agreed to in a budget resolution.

Section 303. Current Services Budget

This section amends section 605(a) of the Congressional Budget Act to require the President to submit a current services budget concurrently with the annual budget submission on the first Monday following January 3 of each year. Section 403 of H.R. 5247 amends the United States Code for the same purpose. In current practice, the President submits a current services budget with the annual budget submission.

Section 304. Study of Off-Budget Agencies

This section repeals section 606 of the Congressional Budget Act. Section 606 requires the Budget Committees to study provisions of law establishing off-budget status for agencies and to report recommendations to their respective Houses from time to time. Under section 204 of H.R. 5247, all Federal entities currently off-budget or scheduled to be taken off-budget are brought back on budget.

Section 305. Changes in Functional Categories

This section amends section 802 of the Congressional Budget Act by providing that House and Senate committees shall receive prompt notification of changes in functional categories.

Section 802 of the Act requires that changes in functional classifications set forth in the President's budget be made only after consultation with the Appropriations and Budget Committees. Because Congress decides budget priorities by functional category it must have a voice in shaping those categories. The requirement added by H.R. 5247 ensures that all committees are promptly made aware of such changes.

Section 306. Membership of Committee on the Budget

This section amends clause 1(e)(1) of rule X of the Rules of the House of Representatives. Under this section, majority party membership on the House Budget Committee will consist of: one Chairman, one member designated by the Speaker from the leadership, three members from the Appropriations Committee, three members from the Ways and Means Committee, two members from the Rules Committee and eight members from other standing committees (except Standards of Official Conduct). Members from the minority party will include one member from leadership and such other members as are necessary to maintain the appropriate ratio on the committee. Under the current ratio, there would be nine minority members of the House Budget Committee.

Clause (1)(e)(1) of rule X of the House of Representatives currently states that the House Budget Committee is to consist of thirty members, including one member from the leadership of the majority party, one member from the leadership of the minority party, five members from the Committee on Appropriations and five members from the Committee on Ways and Means. By unanimous consent, House Budget Committee membership during the 98th Congress only was increased to thirty-one.

Section 307. Jurisdictional of Committee on Government Operations

This section amends clause 1(j) of rule X of the Rules of the House of Representatives to include the budgetary treatment of agencies or programs in the jurisdiction of the Committee on Government Operations. This conforms to section 406 of the Congressional Budget Act as amended, by which all legislation in the House establishing off-budget status for Federal departments and agencies would be referred to the Government Operations Committee.

Section 308. Continuing Study of Congressional Budget Process

This section amends clause 3 of rule X of the Rules of the House of Representatives. It includes among the functions of the Rules Committee the continuing study of the congressional budget process. In addition, the Committee shall report its recommendations to the House from time to time.

Section 309. Early Election of Committees of the House

This section amends clause 6(a)(1), rule X of the Rules of the House of Representatives, to require the election of committees of the House within 7 calendar days after a new Congress convenes. The new requirement is intended to facilitate early organization of the House and action by the committees in the first months of a new Congress. This is consistent with the call for work on authorizing legislation in the months between January and June. The new requirement does not impede consideration of recommendations by party caucuses to change the composition of standing committees at a later date.

Section 310. Rescissions and Transfers in Appropriations Bills

This section amends the House rules to permit consideration of rescissions of appropriations and transfers of unexpended balances

within the Department or agency for which they were originally appropriated which are included in a general appropriation bill. A rescission of appropriations cancels budget authority previously provided in an appropriation bill before the authority would otherwise lapse. Title X of the Congressional Budget and Impoundment Control Act of 1974 specifies procedures to be followed when the President proposes to rescind budget authority. The Appropriations Committees also propose rescissions of previously appropriated funds. The Appropriations Committees sometimes identify budget authority that will not be used and rescind those amounts in measures making other appropriations. The recissions are clearly marked as such and set apart. Rescissions are "changes in existing law", however, and thus would be prohibited by clause 2(b), Rule XXI from being included in general appropriation bills. For example, in the 97th Congress, first session, the House Appropriations Committee reported H.R. 3512, making supplemental appropriations and rescinding certain budget authority. The Rules Committee granted and the House adopted a rule, H. Res. 137, waiving clause 2, Rule XXI against the rescission. Clause 2(b), Rule XXI does permit changes to existing law in a general appropriation bill if the provisions are germane and "retrench expenditures by the reduction of amounts of money covered by the bill, which may include those recommended to the Committee on Appropriations by direction of any legislative committee having jurisdiction over the subject matter thereof." The Committee believes that rescissions of the budget authority provided in previous appropriation acts should be permitted for the same reasons that retrenchments are permitted. The Committee recognizes one of the major purposes of Rule XXI is to maintain the distinction between legislation and appropriations, and between the roles of legislative committees and the Appropriations Committee. However, permitting changes in existing law where such law is merely a previous appropriation does not threaten the distinction.

Clause 6, Rule XXI prohibits reappropriating unexpended balances of appropriations in a general appropriation bill with an exception for the continuation of appropriations for public works on which work has begun. Transfers of unexpended balances within the agency or department for which they were originally appropriated may also be reappropriations. Clause 1(b), Rule X includes transfers of unexpended balances in the jurisdiction of the Committee on Appropriations. Transfers of unexpended balances in an appropriation bill or resolution must be under a separate heading and in a separate section. The Committee believes, therefore, that such transfers should be in order in a general appropriation bill.

TITLE IV—AMENDMENTS TO SUBTITLE II OF TITLE 31, UNITED STATES CODE

Section 401. Submission of President's budget

Subsection (a) requires submission of the President's Budget by the first Monday after January 3 of each year.

Subsection (b) requires submission of language necessary to implement proposals affecting revenues and entitlements within two weeks of the budget submission. Although this section sets dead-

lines for the executive, it is essential to the accelerated congressional timetable. If the President's budget is not available at the start of each Congress, the early deadlines in the congressional budget schedule will be difficult or impossible to meet.

Section 402. Supplemental Budget Estimates and Changes

This section repeals the United States Code requirement that the President submit budget reestimates before April 11 of each year. Under section 1106(b) of Title 31, the President is required to submit a reestimated budget before April 11 and before July 16 of each year. Under H.R. 5247, however, Congress must complete action on its budget resolution by April 15. Budget reestimates from the President in early April would not help Congress meet its April 15 deadline. Requiring budget reestimates in March or earlier is too soon after the President originally submits the budget. Therefore, the spring deadline is dropped. Under H.R. 5247, the President will still be required to submit mid-summer budget reestimates. These are useful in considering spending and revenue legislation.

Section 403. Current Services Budget

This section amends the U.S. Code to require the President to submit a current services budget on the same date as the annual budget submission, namely, on the first Monday following January 3 of each year. In current practice, the President submits a current services budget in conjunction with the budget. Section 303 of H.R. 5247 amends the Congressional Budget Act requirement for early submission of the current services budget.

TITLE V—TECHNICAL AND CONFORMING AMENDMENTS

This title includes miscellaneous provisions making changes in the Congressional Budget Act and the House Rules to conform with the provisions of H.R. 5247.

Section 501. Table of Contents

Section 501 changes the table of contents set forth in section 1(b) of the Act with respect to Title III as amended by H.R. 5247.

Section 502. Additional Technical and Conforming Amendments

Section 502 changes the table of contents in the Act with respect to Title IV and strikes out a reference to the required second budget resolution in the definition section of the Act. It also makes five similarly technical changes in House Rules to conform with changes made by H.R. 5247.

TITLE VI—EFFECTIVE DATE

Section 601. Effective Date

This section makes the provisions of the Act effective at noon January 3, 1985 and requires them to be reflected in the Fiscal Year 1986 Budget submitted by the President in January 1985.

COMMITTEE VOTE

On June 27, 1984, the Committee on Rules by voice vote, a quorum being present, ordered H.R. 5247 as amended reported favorably to the House.

COMMITTEE COST ESTIMATE

Clause 2(l)(3)(B) of Rule XI requires each committee report to contain any statement required by section 308(a) of the Congressional Budget Act of 1974, if the measure provides new budget authority or new or increased tax expenditures. That section does not apply to H.R. 5247, as it does not provide new budget authority or new or increased tax expenditures.

Clause 7(a), Rule XIII requires committees to include cost estimates in certain committee reports. Clause 7(d) exempts the Committee on Rules from this requirement; nonetheless, the Committee generally examines the costs that would be incurred in carrying out the legislation it considers.

The Committee believes that the costs of implementing H.R. 5247 as reported would not be significant. There are two cost issues.

H.R. 5247 places new requirements on congressional support agencies and on the Budget Committees to make reports and provide budgetary information. As noted in the November 9, 1983 letter from the Director of the Congressional Budget Office to the Chairman of the Rules Committee Task Force on the Budget Process, much of the newly required information is already gathered as part of the automated data base maintained by CBO. Some additional resources may be needed to make this information public or to gather other information. The costs, however, would be very small.

Under H.R. 5247, amounts for Federal entities currently off-budget would be included in the unified budget submitted by the President and in congressional budget resolutions. This would increase "on-budget" spending though it would not affect the total amount actually spent by the Federal government. By itself, on-budget status neither increases nor decreases spending by the Federal government. The Committee believes that changes in budgetary status should not be treated as changes in cost.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

In compliance with clause (2)(l)(3)(C) of Rule XI, the Committee includes the following cost estimate prepared, pursuant to section 403 of the Congressional Budget Act of 1974, by the Director of the Congressional Budget Office.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, July 24, 1984.

Hon. CLAUDE PEPPER,
Chairman, Committee on Rules,
U.S. House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has reviewed H.R. 5247, the Congressional Budget Act Amendments of

1984, as ordered reported by the House Committee on Rules, June 27, 1984. We estimate that enactment of this legislation will result in no significant additional costs to the federal government, and in no costs to state and local governments.

H.R. 5247 makes numerous changes to the Congressional Budget Act of 1974. These include modifications to the budget timetable and a shift to a binding first resolution, along with some changes in the content of the resolution. The Congress has already implemented many of these procedures. In addition, the bill places additional responsibilities on the Congressional Budget Office (CBO) and the General Accounting Office (GAO).

The major budgetary impact of the bill results from the provision that would bring onto the unified budget certain activities that are currently off-budget. This would not result in any additional expenditures by the federal government nor would it increase federal borrowing requirements, but it would shift outlays from off-budget to on-budget, thus increasing the unified budget deficit by $10–15 billion per year.

We expect that no significant additional costs will be incurred by CBO or by GAO in providing the Congress with the additional information specified in the bill. In general, the information to be provided by CBO is readily available or can be produced with little additional effort.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

RUDOLPH G. PENNER, *Director.*

INFLATIONARY IMPACT STATEMENT

In compliance with clause (2)(l)(4) of Rule XI, the Committee on Rules includes an inflationary impact statement.

The Committee finds that the enactment of H.R. 5247, as reported, will not have an inflationary impact on prices and costs in the operation of the national economy. In fact, the Committee believes that H.R. 5247, as reported, will improve the congressional budget process which will lead to better decisions about fiscal policy. In turn, this will have anti-inflationary consequences for all Federal legislation.

COMMITTEE OVERSIGHT FINDINGS

In compliance with clause (2)(l)(3)(A) of Rule XI, the Committee on Rules includes a summary of the Committee's oversight findings and recommendations.

During the 98th Congress, pursuant to clause 2(b)(1) of Rule X, the Committee exercised its oversight responsibility over the operation of the Congressional Budget Act and the congressional budget process in its consideration of H. Con. Res. 282, the first concurrent budget resolution for fiscal year 1985, through its Task Force on the Budget Process, and in its consideration of H.R. 5247.

In its report on H. Con. Res. 282 (H. Rept. 98–645, Part 2), the Committee recorded its findings on the formulation and implementation of ad hoc budget enforcement procedures.

The Task Force on the Budget Process, chaired by Representative Beilenson, held numerous work sessions and two public hearings during the 98th Congress. On March 14, 1984 the task force agreed, by voice vote, to submit its recommendations on budget process reform for the consideration of the Rules Committee. On March 27, 1984, Representative Beilenson introduced H.R. 5247, which was referred jointly to the Rules Committee and the Committee on Government Operations. H.R. 5247 as introduced embodies the recommendations of the Rules Committee Task Force on the Budget Process.

On May 23, 1984, the Committee held a hearing on the task force recommendations and, on June 27, 1984, the Committee agreed by voice vote to order reported H.R. 5247 as amended. The Committee recommends that H.R. 5247 as reported, amending the Congressional Budget Act to improve the congressional budget process, do pass.

Oversight Findings of the Committee on Government Operations

No findings or recommendations made by the Committee on Government Operations pursuant to clause 4(c)(2) of Rule X have been received by the Committee on Rules. Therefore, no summary pursuant to clause (2)(l)(3)(D) of Rule XI is included.

CHANGES IN EXISTING LAW MADE BY H.R. 5247 AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by H.R. 5247 as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

CONGRESSIONAL BUDGET ACT OF 1974

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TITLE II—CONGRESSIONAL BUDGET OFFICE

ESTABLISHMENT OF OFFICE

SEC. 201. (a) IN GENERAL.—

(1) There is established an office of the Congress to be known as the Congressional Budget Office (hereinafter in this title referred to as the "Office"). The Office shall be headed by a Director; and there shall be a Deputy Director who shall perform such duties as may be assigned to him by the Director and during the absence or incapacity of the Director or during a vacancy in that office shall act as Director.

(2) The Director shall be appointed by the Speaker of the House of Representatives and the President pro tempore of the Senate after considering recommendations received from the [Committees on the Budget] *Committees* of the House and the Senate, without regard to political affiliation and solely on the basis of his fitness to perform his duties. The Deputy Director shall be appointed by the Director.

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DUTIES AND FUNCTIONS

SEC. 202. (a) ASSISTANCE TO BUDGET COMMITTEES.—

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(f) REPORTS TO BUDGET COMMITTEES.—

(1) On or before [April 1] *February 15* of each year, the Director shall submit to the Committees on the Budget of the House of Representatives and the Senate a report, for the fiscal year commencing on October 1 of that year, with respect to fiscal policy, including (A) alternative levels of total revenues, total new budget authority, and total outlays (including related surpluses and deficits), and (B) the levels of tax expenditures under existing law, taking into account projected economic factors and any changes in such levels based on propos-

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als in the budget submitted by the President for such fiscal year. Such report shall also include a discussion of national budget priorities, including alternative ways of allocating budget authority and budget outlays for such fiscal year among major programs or functional categories, taking into account how such alternative allocations will meet major national needs and affect balanced growth and development of the United States.

* * * * * * *

(3) On or before the first Monday after January 3 of each year, the Director, after consultation with the appropriate committees of the House of Representatives and Senate, shall submit to the Congress a report listing (A) all programs and activities funded during the fiscal year ending September 30 of that calendar year for which authorizations for appropriations have not been enacted for that fiscal year, and (B) all programs and activities for which authorizations for appropriations have been enacted for the fiscal year ending September 30 of that calendar year, but for which no authorizations for appropriations have been enacted for the fiscal year beginning October 1 of that calendar year.

(4) Baseline projections of permanent authority prepared pursuant to this subsection, including but not limited to revenues, tax expenditures, entitlements (including appropriated entitlements), other mandatory spending, and credit authority shall assume that current laws continue unchanged, except for the extension of temporary provisions for which continuation is routine. Baseline projections of discretionary appropriations shall assume a continuation of current year funding with an adjustment for inflation.

* * * * * * *

(h) STUDIES.—The Director shall conduct continuing studies to enhance comparisons of budget outlays, credit authority, and tax expenditures.

(j) TAX EXPENDITURES INVENTORY.—On or before February 15 of each year, the Director, after consultation with the Joint Committee on Taxation, shall submit to the Congress an inventory of all provisions of law providing tax expenditures and the items of such inventory shall be regarded for purposes of this Act as tax expenditures.

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[TITLE III—CONGRESSIONAL BUDGET PROCESS

[TIMETABLE

[SEC. 300. The timetable with respect to the congressional budget process for any fiscal year is as follows:

[On or before:	Action to be completed:
[November 19	President submits current services budget.
[15th day after Congress meets	President submits his budget.

[On or before:	Action to be completed:
[March 15	Committees and joint committees submit reports to Budget Committees.
[April 1	Congressional Budget Office submits report to Budget Committees.
[April 15	Budget Committees report first concurrent resolution on the budget to their Houses.
[May 15	Committees report bills and resolutions authorizing new budget authority.
[May 15	Congress completes action on first concurrent resolution on the budget.
[7th day after Labor Day.	Congress completes action on bills and resolutions providing new budget authority and new spending authority.
[September 15	Congress completes action on second required concurrent resolution on the budget.
[September 25	Congress completes action on reconciliation bill or resolution, or both, implementing second required concurrent resolution.
[October 1	Fiscal year begins.

[ADOPTION OF FIRST CONCURRENT RESOLUTION

[SEC. 301. (a) ACTION TO BE COMPLETED BY MAY 15.—On or before May 15 of each year, the Congress shall complete action on the first concurrent resolution on the budget for the fiscal year beginning on October 1 of such year. The concurrent resolution shall set forth—

[(1) the appropriate level of total budget outlays and of total new budget authority;

[(2) an estimate of budget outlays and an appropriate level of new budget authority for each major functional category, for contingencies, and for undistributed intragovernmental transactions, based on allocations of the appropriate level of total budget outlays and of total new budget authority;

[(3) the amount, if any, of the surplus or the deficit in the budget which is appropriate in light of economic conditions and all other relevant factors;

[(4) the recommended level of Federal revenues and the amount, if any, by which the aggregate level of Federal revenues should be increased or decreased by bills and resolutions to be reported by the appropriate committees;

[(5) the appropriate level of the public debt, and the amount, if any, by which the statutory limit on the public debt should be increased or decreased by bills and resolutions to be reported by the appropriate committees;

[(6) if required by subsection (e), the calendar year in which, in the opinion of the Congress, the goals for reducing unemployment set forth in section 4(b) of the Employment Act of 1946 should be achieved; and

[(7) such other matters relating to the budget as may be appropriate to carry out the purposes of this Act.

[(b) ADDITIONAL MATTERS IN CONCURRENT RESOLUTION.—The first concurrent resolution on the budget may also require—

[(1) a procedure under which all or certain bills and resolutions providing new budget authority or providing new spend-

ing authority described in section 401(c)(2)(C) for such fiscal year shall not be enrolled until the concurrent resolution required to be reported under section 310(a) has been agreed to, and, if a reconciliation bill or reconciliation resolution, or both, are required to be reported under section 310(c), until Congress has completed action on that bill or resolution, or both; and

[(2) any other procedure which is considered appropriate to carry out the purposes of this Act.

Not later than the close of the Ninety-fifth Congress, the Committee on the Budget of each House shall report to its House on the implementation of procedures described in this subsection.

[(c) VIEWS AND ESTIMATES OF OTHER COMMITTEES.—On or before March 15 of each year, each standing committee of the House of Representatives shall submit to the Committee on the Budget of the House, each standing committee of the Senate shall submit to the Committee on the Budget of the Senate, and the Joint Economic Committee and Joint Committee on Internal Revenue Taxation shall submit to the Committees on the Budget of both Houses—

[(1) its views and estimates with respect to all matters set forth in subsection (a) which relate to matters within the respective jurisdiction or functions of such committee or joint committee; and

[(2) except in the case of such joint committees, the estimate of the total amounts of new budget authority, and budget outlays resulting therefrom, to be provided or authorized in all bills and resolutions within the jurisdiction of such committee which such committee intends to be effective during the fiscal year beginning on October 1 of such year.

Each of the recommendations as to short-term and medium-term goals set forth in the report submitted by the members of the Joint Economic Committee under subsection (c) may be considered by the Committee on the Budget of each House as part of its consideration of such concurrent resolution, and its report may reflect its views thereon, and on how the estimates of revenues and levels of budget authority and outlays set forth in such concurrent resolution are designed to achieve any goals it is recommending. The Joint Economic Committee shall also submit to the Committees on the Budget of both Houses, its recommendations as to the fiscal policy appropriate to the goals of the Employment Act of 1946. Any other committee of the House or Senate may submit to the Committee on the Budget of its House, and any other joint committee of the Congress may submit to the Committees on the Budget of both Houses, its views and estimates with respect to all matters set forth in subsection (a) which relate to matters within its jurisdiction or functions.

[(d) HEARINGS AND REPORT.—In developing the first concurrent resolution on the budget referred to in subsection (a) for each fiscal year, the Committee on the Budget of each House shall hold hearings and shall receive testimony from Members of Congress and such appropriate representatives of Federal departments and agencies, the general public, and national organizations as the committee deems desirable. On or before April 15 of each year, the Committee on the Budget of each House shall report to its House the first concurrent resolution on the budget referred to in subsection

(a) for the fiscal year beginning on October 1 of such year. The report accompanying such concurrent resolution shall include, but not be limited to—

[(1) a comparison of revenues estimated by the committee with those estimated in the budget submitted by the President;

[(2) a comparison of the appropriate levels of total budget outlays and total new budget authority, as set forth in such concurrent resolution, with total budget outlays estimated and total new budget authority requested in the budget submitted by the President;

[(3) with respect to each major functional category, an estimate of budget outlays and an appropriate level of new budget authority for all proposed programs and for all existing programs (including renewals thereof), with the estimate and level for existing programs being divided between permanent authority and funds provided in appropriation Acts, and each such division being subdivided between controllable amounts and all other amounts;

[(4) an allocation of the level of Federal revenues recommended in the concurrent resolution among the major sources of such revenues;

[(5) the economic assumptions and objectives which underlie each of the matters set forth in such concurrent resolution and alternative economic assumptions and objectives which the committee considered;

[(6) projections, not limited to the following, for the period of five fiscal years beginning with such fiscal year of the estimated levels of total budget outlays, total new budget outlays, total new budget authority, the estimated revenues to be received, and the estimated surplus or deficit, if any, for each fiscal year in such period, and the estimated levels of tax expenditures (the tax expenditures budget) by major functional categories;

[(7) a statement of any significant changes in the proposed levels of Federal assistance to State and local governments; and

[(8) information, data, and comparisons indicating the manner in which, and the basis on which, the committee determined each of the matters set forth in the concurrent resolution, and the relationship of such matters to other budget categories.

[ACHIEVEMENT OF GOALS FOR REDUCING UNEMPLOYMENT.—

[(1) If, pursuant to section 4(c) of the Employment Act of 1946, as amended, the President recommends in the Economic Report that the goals forth reducing unemployment set forth in section 4(b) of such Act be achieved in a year after the close of the five-year period prescribed by such subsection, the first concurrent resolution on the budget for the fiscal year beginning after the date on which such Economic Report is received by the Congress may set forth the year in which, in the opinion of the Congress, such goals can be achieved.

[(2) After the Congress has expressed its opinion pursuant to paragraph (1) as to the year in which the goals for reducing unemployment set forth in section 4(b) of the Employment Act

of 1946, as amended, can be achieved, if, pursuant to section 4(e) of such Act, the President recommends in the Economic Report that such goals be achieved in a year which is different from the year in which the Congress has expressed its opinion that such goals should be achieved, either in its action pursuant to paragraph (1) or its most recent action pursuant to this paragraph, the first concurrent resolution on the budget for the fiscal year beginning after the date on which such Economic Report is received by the Congress may set forth the year in which, in the opinion of the Congress, such goals can be achieved.

[(3) It shall be in order to amend the provision of such resolution setting forth such year only if the amendment thereto also proposes to alter the estimates, amounts, and levels (as described in section 301(a)) set forth in such resolution in germane fashion in order to be consistent with the economic goals (as described in sections 3(a)(2) and 4(b) of the Employment Act of 1946) which such amendment proposes can be achieved by the year specified in such amendment.

[MATTERS TO BE INCLUDED IN JOINT STATEMENT OF MANAGERS; REPORTS BY COMMITTEES

[SEC. 302. (a) ALLOCATION OF TOTALS.—The joint explanatory statement accompanying a conference report on a concurrent resolution on the budget shall include an estimated allocation, based upon such concurrent resolution as recommended in such conference report, of the appropriate levels of total budget outlays and total new budget authority among each committee of the House of Representatives and the Senate which has jurisdiction over bills and resolutions providing such new budget authority.

[(b) REPORTS BY COMMITTEES.—As soon as practicable after a concurrent resolution on the budget is agreed to—

[(1) the Committee on Appropriations of each House shall, after consulting with the Committee on Appropriations of the other House, (A) subdivide among its subcommittees the allocation of budget outlays and new budget authority allocated to it in the joint explanatory statement accompanying the conference report on such concurrent resolution, and (B) further subdivide the amount with respect to each such subcommittee between controllable amounts and all other amounts; and

[(2) every other committee of the House and Senate to which an allocation was made in such joint explanatory statement shall, after consulting with the committee or committees of the other House to which all or part of its allocation was made, (A) subdivide such allocation among its subcommittees or among programs over which it has jurisdiction, and (B) further subdivide the amount with respect to each subcommittee or program between controllable amounts and all other amounts.

Each such committee shall promptly report to its House the subdivisions made by it pursuant to this subsection.

[(c) SUBSEQUENT CONCURRENT RESOLUTIONS.—In the case of a concurrent resolution on the budget referred to in section 304 or

310, the allocation under subsection (a) and the subdivisions under subsection (b) shall be required only to the extent necessary to take into account revisions made in the most recently agreed to concurrent resolution on the budget.

[FIRST CONCURRENT RESOLUTION ON THE BUDGET MUST BE ADOPTED BEFORE LEGISLATION PROVIDING NEW BUDGET AUTHORITY, NEW SPENDING AUTHORITY, OR CHANGES IN REVENUES OR PUBLIC DEBT LIMIT IS CONSIDERED

[SEC. 303. (a) IN GENERAL.—It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution (or amendment thereto) which provides—

[(1) new budget authority for a fiscal year;

[(2) an increase or decrease in revenues to become effective during a fiscal year;

[(3) an increase or decrease in the public debt limit to become effective during a fiscal year; or

[(4) new spending authority described in section 401(c)(2)(C) to become effective during a fiscal year;

until the first concurrent resolution on the budget for such year has been agreed to pursuant to section 301.

[(b) EXCEPTIONS.—Subsection (a) does not apply to any bill or resolution—

[(1) providing new budget authority which first becomes available in a fiscal year following the fiscal year to which the concurrent resolution applies; or

[(2) increasing or decreasing revenues which first become effective in a fiscal year following the fiscal year to which the concurrent resolution applies.

[(c) WAIVER IN THE SENATE.—

[(1) The committee of the Senate which reports any bill or resolution to which subsection (a) applies may at or after the time it reports such bill or resolution, report a resolution to the Senate (A) providing for the waiver of subsection (a) with respect to such bill or resolution, and (B) stating the reasons why the waiver is necessary. The resolution shall then be referred to the Committee on the Budget of the Senate. That committee shall report the resolution to the Senate within 10 days after the resolution is referred to it (not counting any day on which the Senate is not in session) beginning with the day following the day on which it is so referred, accompanied by that committee's recommendations and reasons for such recommendations with respect to the resolution. If the committee does not report the resolution within such 10-day period, it shall automatically be discharged from further consideration of the resolution and the resolution shall be placed on the calendar.

[(2) During the consideration of any such resolution, debate shall be limited to one hour, to be equally divided between, and controlled by, the majority leader and minority leader or their designees, and the time on any debatable motion or appeal shall be limited to twenty minutes, to be equally divided between, and controlled by, the mover and the manager of the

resolution. In the event the manager of the resolution is in favor of any such motion or appeal, the time in opposition thereto shall be controlled by the minority leader or his designee. Such leaders, or either of them, may, from the time under their control on the passage of such resolution, allot additional time to any Senator during the consideration of any debatable motion or appeal. No amendment to the resolution is in order.

[(3) If, after the Committee on the Budget has reported (or been discharged from further consideration of) the resolution, the Senate agrees to the resolution, then subsection (a) of this section shall not apply with respect to the bill or resolution to which the resolution so agreed to applies.

[PERMISSIBLE REVISIONS OF CONCURRENT RESOLUTIONS OF THE BUDGET

[SEC. 304. At any time after the first concurrent resolution on the budget for a fiscal year has been agreed to pursuant to section 301, and before the end of such fiscal year, the two Houses may adopt a concurrent resolution on the budget which revises the consurrent resolution on the budget for such fiscal year most recently agree to.

[PROVISIONS RELATING TO THE CONSIDERATION OF CONCURRENT RESOLUTIONS ON THE BUDGET

[SEC. 305. (a) PROCEDURE IN HOUSE OF REPRESENTATIVES AFTER REPORT OF COMMITTEE: DEBATE.—

[(1) When the Committee on the Budget of the House has reported any concurrent resolution on the budget, it is in order at any time after the tenth day (excluding Saturdays, Sundays, and legal holidays) following the day on which the report upon such resolution has been available to Members of the House (even though a previons motion to the same effect has been disagreed to) to move to proceed to the consideration of the concurrent resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

[(2) General debete on any concurrent resolution on the budget in the House of Representatives shall be limited to not more than 10 hours, which shall be divided equally between the majority and minority parties, plus such additional hours of debate as are consumed pursuant to paragraph (3). A motion further to limit debate is not debatable. A motion to recommit the concurrent resolution is not in order, and it is not in order to move to reconsider the vote by which the concurrent resolution is agreed to or disagreed to.

[(3) Following the presentation of opening statements on the first concurrent resolution on the budget for a fiscal year by the chairman and ranking minority member of the Committee on the Budget of the House, there shall be a period of up to four hours for debate on economic goals and policies.

[(4) Only if a concurrent resolution on the budget reported by the Committee on the Budget of the House sets forth the

economic goals (as described in sections 3(a)(2) and 4(b) of the Full Employment Act of 1946) which the estimates, amounts, and levels (as decribed in section 301(a)) set forth in such resolution are designed to achieve, shall it be in order to offer to such resolution an amendment relating to such goals, and such amendment shall be in order only if it also proposes to alter such estimates, amounts, and levels in germane fashion in order to be consistent with the goals proposed in such amendment.

[(6) Consideration of any concurrent resolution on the budget by the House of Representatives shall be in the Committee of the Whole, and the resolution shall be read for amendment under the five-minute rule in accordance with the applicable provisions of rule XXIII of the Rules of the House of Representatives. After the Committee rises and reports the resolution back to the House, the previous question shall be considered as ordered on the resolution and any amendments thereto to final passage without intervening motion; except that it shall be in order at any time prior to final passage (notwithstanding any other rule or provision of law) to adopt an amendment (or a series of amendments) changing any figure or figures in the resolution as so reported to the extent necessary to achieve mathematical consistency.

[(7) Debate in the House of Representatives on the conference report on any concurrent resolution on the budget shall be limited to not more than 5 hours, which shall be divided equally between the majority and minority parties. A motion further to limit debate is not debatable. A motion to recommit the conference report is not in order, and it is not in order to move to reconsider the vote by which the conference report is agreed to or disagreed to.

[(8) Motions to postpone, made with respect to the consideration of any concurrent resolution on the budget, and motions to proceed to the consideration of other business shall be decided without debate.

[(9) Appeals from the decisions of the Chair relating to the application of the Rules of the House of Representatives to the procedure relating to any concurrent resolution on the budget shall be decided without debate.

[(b) PROCEDURE IN SENATE AFTER REPORT OF COMMITTEE; DEBATE; AMENDMENTS.—

[(1) Debate in the Senate on any concurrent resolution on the budget, and all amendments thereto and debatable motions and appeals in connection therewith, shall be limited to not more than 50 hours, except that, with respect to the second required concurrent resolution referred to in section 310(a), all such debate shall be limited to not more than 15 hours. The time shall be equally divided between and controlled by the majority leader and the minority leader or their designees.

[(2) Debate in the Senate on any amendment to a concurrent resolution on the budget shall be limited to 2 hours to be equally divided between and controlled by, the mover and the manager of the concurrent resolution and debate on any amendment to an amendment, debatable motion, or appeal

shall be limited to 1 hour, to be equally divided between, and controlled by, the mover and the manager of the concurrent resolution except that in the event the manager of the concurrent resolution is in favor of any such amendment, motion, or appeal, the time in opposition thereto shall be controlled by the minority leader or his designee. No amendment that is not germane to the provisions of such concurrent resolution shall be received. Such leaders, or either of them, may, from the time under their control on the passage of the concurrrent resolution, allot additional time to any Senator during the consideration of any amendment, debatable motion, or appeal.

[(3) Following the presentation of opening statements on the first concurrent resolution on the budget for a fiscal year by the chairman and ranking minority member of the Committee on the Budget of the Senate, there shall be a period of up to four hours for debate on economic goals and policies.

[(4) Only if a concurrent resolution on the budget reported by the Committee on the Budget of the Senate sets forth the economic goals (as described in sections 3(a)(2) and 4(b) of the Employment Act of 1946), which the estimates, amounts and levels (as described in section 301(a), set forth in such resolution are designed to achieve, shall it be in order to offer to such resolution an amendment relating to such goals, and such amendment shall be in order only if it also proposes to alter such estimates, amounts, and levels in germane fashion in order to be consistent with the goals proposed in such amendment.

[(6) A motion to further limit debate is not debatable. A motion to recommit (except a motion to recommit with instructions to report back within a specified number of days, not to exceed 3, not counting any day on which the Senate is not in session) is not in order. Debate on any such motion to recommit shall be limited to 1 hour, to be equally divided between, and controlled by, the mover and the manager of the concurrent resolution.

[(7) Notwithstanding any other rule, an amendment, or series of amendments, to a concurrent resolution on the budget proposed in the Senate shall always be in order if such amendment or series of amendments proposes to change any figure or figures then contained in such concurrent resolution so as to make such concurrent resolution mathematically consistent or so as to maintain such consistency.

[(c) ACTION ON CONFERENCE REPORTS IN THE SENATE.—

[(1) The conference report on any concurrent resolution on the budget shall be in order in the Senate at any time after the third day (excluding Saturdays, Sundays, and legal holidays) following the day on which such a conference report is reported and is available to Members of the Senate. A motion to proceed to the consideration of the conference report may be made even though a previous motion to the same effect has been disagreed to.

[(2) During the consideration in the Senate of the conference report on any concurrent resolution on the budget, debate shall be limited to 10 hours, to be equally divided between, and

controlled by, the majority leader and minority leader or their designees. Debate on any debatable motion or appeal related to the conference report shall be limited to 1 hour, to be equally divided between, and controlled by, the mover and the manager of the conference report.

[(3) Should the conference report be defeated, debate on any request for a new conference and the appointment of conferees shall be limited to 1 hour, to be equally divided between, and controlled by, the manager of the conference report and the minority leader or his designee, and should any motion be made to instruct the conferees before the conferees are named, debate on such motion shall be limited to one-half hour, to be equally divided between, and controlled by, the mover and the manager of the conference report. Debate on any amendment to any such instructions shall be limited to 20 minutes, to be equally divided between and controlled by the mover and the manager of the conference report. In all cases when the manager of the conference report is in favor of any motion, appeal, or amendment, the time in opposition shall be under the control of the minority leader or his designee.

[(4) In any case in which there are amendments in disagreement, time on each amendment shall be limited to 30 minutes, to be equally divided between, and controlled by, the manager of the conference report and the minority leader or his designee. No amendment that is not germane to the provisions of such amendments shall be received.

[(d) REQUIRED ACTION BY CONFERENCE COMMITTEE.—If, at the end of 7 days (excluding Saturdays, Sundays, and legal holidays) after the conferees of both Houses have been appointed to a committee of conference on a concurrent resolution on the budget, the conferees are unable to reach agreement with respect to all matters in disagreement between the two Houses, then the conferees shall submit to their respective Houses, on the first day thereafter on which their House is in session—

[(1) a conference report recommending those matters on which they have agreed and reporting in disagreement those matters on which they have not agreed; or

[(2) a conference report in disagreement, if the matter in disagreement is an amendment which strikes out the entire text of the concurrent resolution and inserts a substitute text.

[(e) CONCURRENT RESOLUTION MUST BE CONSISTENT IN THE SENATE.—It shall not be in order in the Senate to vote on the question of agreeing to—

[(1) a concurrent resolution on the budget unless the figures then contained in such resolution are mathematically consistent; or

[(2) a conference report on a concurrent resolution on the budget unless the figures contained in such resolution, as recommended in such conference report, are mathematically consistent.

[LEGISLATION DEALING WITH CONGRESSIONAL BUDGET MUST BE HANDIED BY BUDGET COMMITTEES

[SEC. 306. No bill or resolution, and no amendment to any bill or resolution, dealing with any matter which is within the jurisdiction of the Committee on the Budget of either House shall be considered in that House unless it is a bill or resolution which has been reported by the Committee on the Budget of that House (or from the consideration of which such committee has been discharged) or unless it is an amendment to such a bill or resolution.

[HOUSE COMMITTEE ACTION ON ALL APPROPRIATION BILLS TO BE COMPLETED BEFORE FIRST APPROPRIATION BILL IS REPORTED

[SEC. 307. Prior to reporting the first regular appropriation bill for each fiscal year, the Committee on Appropriations of the House of Representatives shall, to the extent practicable, complete subcommittee markup and full committee action on all regular appropriation bills for that year and submit to the House a summary report comparing the committee's recommendations with the appropriate levels of budget outlays and new budget authority as set forth in the most recently agreed to concurrent resolution on the budget for that year.

[REPORTS, SUMMARIES, AND PROJECTIONS OF CONGRESSIONAL BUDGET ACTIONS

[SEC. 308. (a) REPORTS ON LEGISLATION PROVIDING NEW BUDGET AUTHORITY OR TAX EXPENDITURES.—Whenever a committee of either House reports a bill or resolution to its House providing new budget authority (other than continuing appropriations) or new or increased tax expenditures for a fiscal year, the report accompanying that bill or resolution shall contain a statement, prepared after consultation with the Director of the Congressional Budget Office, detailing—

[(1) in the case of a bill or resolution providing new budget authority—

[(A) how the new budget authority provided in that bill or resolution compares with the new budget authority set forth in the most recently agreed to concurrent resolution on the budget for such fiscal year and the reports submitted under section 302;

[(B) a projection for the period of 5 fiscal years beginning with such fiscal year of budget outlays, associated with the budget authority provided in that bill or resolution, in each fiscal year in such period; and

[(C) the new budget authority, and budget outlays resulting thereform, provided by that bill or resolution for financial assistance to State and local governments; and

[(2) in the case of a bill or resolution providing new or increased tax expenditures—

[(A) how the new or increased tax expenditures provided in that bill or resolution will affect the levels of tax expenditures under existing law as set forth in the report accompanying the first concurrent resolution on the budget

for such fiscal year, or, if a report accompanying a subsequently agreed to concurrent resolution for such year sets forth such levels, then as set forth in that report; and

[(B) a projection for the period of 5 fiscal years beginning with such fiscal year of the tax expenditures which will result from that bill or resolution in each fiscal year in such period.

No projection shall be required for a fiscal year under paragraph (1)(B) or (2)(B) if the committee determines that a projection for that fiscal year is impracticable and states in its report the reason for such impracticability.

[(b) UP-TO-DATE TABULATION OF CONGRESSIONAL BUDGET ACTIONS.—The Director of the Congressional Budget Office shall issue periodic reports detailing and tabulating the progress of congressional action on bills and resolutions providing new budget authority and changing revenues and the public debt limit for a fiscal year. Such reports shall include, but are not limited to—

[(1) an up-to-date tabulation comparing the new budget authority for such fiscal year in bills and resolutions on which Congress has completed action and estimated outlays, associated with such new budget authority, during such fiscal year to the new budget authority and estimated outlays set forth in the most recently agreed to concurrent resolution on the budget for such fiscal year and the reports submitted under section 302;

[(2) an up-to-date status report on all bills and resolutions providing new budget authority and changing revenues and the public debt limit for such fiscal year in both Houses;

[(3) an up-to-date comparison of the appropriate level of revenues contained in the most recently agreed to concurrent resolution on the budget for such fiscal year with the latest estimate of revenues for such year (including new revenues anticipated during such year under bills and resolutions on which the Congress has completed action); and

[(4) an up-to-date comparison of the appropriate level of the public debt contained in the most recently agreed to concurrent resolution on the budget for such fiscal year with the latest estimate of the public debt during such fiscal year.

[(c) FIVE-YEAR PROJECTION OF CONGRESSIONAL BUDGET ACTION.—As soon as practicable after the beginning of each fiscal year, the Director of the Congressional Budget Office shall issue a report projecting for the period of 5 fiscal years beginning with such fiscal year—

[(1) total new budget authority and total budget outlays for each fiscal year in such period;

[(2) revenues to be receied and the major sources thereof, and the surplus or deficit, if any, for each fiscal year in such period; and

[(3) tax expenditures for each fiscal year in such period.

COMPETION OF ACTION OF BILLS PROVIDING NEW BUDGET AUTHORITY AND CERTAIN NEW SPENDING AUTHORITY

[SEC. 309. Except as otherwise provided pursuant to this title, not later than the seventh day after Labor Day of each year, the Congress shall complete action on all bills and resolutions—

[(1) providing new budget authority for the fiscal year beginning on October 1 of such year, other than supplemental, deficiency, and continuing asppropriation bills and resolutions, asnd other than the reconcilation bill for such year; if required to be reported under section 310(c); and

[(2) providing new spending authority described in section 401 (c)(2)(C) which is to become effective during such fiscal year.

Paragraph (1) shall not apply to any bill or resolution if legislation authorizing the enactment of new budget authority to be provided in such bill or resolution has not been timely enacted.

[SECOND REQUIRED CONCURRENT RESOLUTION AND RECONCILIATION PROCESS

[SEC. 310. (a) REPORTING OF CONCURRENT RESOLUTION.—The Committee on the Budget of each House shall report to its House a concurrent resolution on the budget which reaffirms or revises the concurrent resolution on the budget most recently agreed to with respect to the fiscal year beginning on October 1 of such year. Any such concurrent resolution on the budget shall also, to the extent necessary—

[(1) specify the total amount by which—

[(A) new budget authority for such fiscal year;

[(B) budget authority initially provided for prior fiscal years; and

[(C) new spending authority described in section 401(c)(2)

[(C) which is to become effective during such fiscal year, contained in laws, bills, and resolutions within the jurisdiction of a committee, is to be changed and direct that committee to determine and recommend changes to accomplish a change of such total amount;

[(2) specify the total amount by which revenues are to be changed and direct that the committees having jurisdiction to determine and recommend changes in the revenue laws, bills, and resolutions to accomplish a change of such total amount;

[(3) specify the amount by which the statutory limit on the public debt is to be changed and direct the committees having jurisdiction to recommend such change; or

[(4) specify and direct any combination of the matters described in paragraphs (1), (2), and (3).

Any such concurrent resolution may be reported, and the report accompanying it may be filed, in either House notwithstanding that that House is not in session on the day on which such concurrent resolution is reported.

[(b) COMPLETION OF ACTION ON CONCURRENT RESOLUTION.—Not later than September 15 of each year, the Congress shall complete

action on the concurrent resolution on the budget referred to in subsection (a).

(c) RECONCILIATION PROCESS.—If a concurrent resolution is agreed to in accordance with subsection (a) containing directions to one or more committees to determine and recommend changes in laws, bills, or resolutions, and—

[(1) only one committee of the House or the Senate is directed to determine and recommend changes, that committee shall promptly make such determination and recommendations and report to its House a reconciliation bill or reconciliation resolution, or both, containing such recommendations; or

[(2) more than one committee of the House or the Senate is directed to determine and recommend changes, each such committee so directed shall promptly make such determination and recommendations whether such changes are to be contained in a reconciliation bill or reconciliation resolution, and submit such recommendations to the Committee on the Budget of its House, which upon receiving all such recommendations, shall report to its House a reconciliation bill or reconciliation resolution, or both, carrying out all such recommendations without any substantive revision.

For purposes of this subsection, a reconciliation resolution is a concurrent resolution directing the Clerk of the House of Representatives or the Secretary of the Senate, as the case may be, to make specified changes in bills and resolutions which have not been enrolled.

[(d) COMPLETION OF RECONCILIATION PROCESS.—Congress shall complete action on any reconciliation bill or reconciliation resolution reported under subsection (c) not later than September 25 of each year.

[(e) PROCEDURE IN THE SENATE.—

[(1) Except as provided in paragraph (2), the provisions of sections 305 for the consideration in the Senate of concurrent resolutions on the budget and conference reports thereon shall also apply to the consideration in the Senate of reconciliation bills and reconciliation resolutions reported under subsection (c) and conference reports thereon.

[(2) Debate in the Senate on any reconciliation bill or resolution reported under subsection (c), and all amendments thereto and debatable motions and appeals in connection therewith, shall be limited to not more than 20 hours.

[(f) CONGRESS MAY NOT ADJOURN UNTIL ACTION IS COMPLETED.—It shall not be in order in either the House of Representatives or the Senate to consider any resolution providing for the adjournment sine die of either House unless action has been completed on the concurrent resolution on the budget required to be reported under subsection (a) for the fiscal year beginning on October 1 of such year, and, if a reconciliation bill or resolution, or both, is required to be reported under subsection (c) for such fiscal year, unless the Congress has completed action on that bill or resolution, or both.

[NEW BUDGET AUTHORITY, NEW SPENDING AUTHORITY AND REVENUE LEGISLATION MUST BE WITHIN APPROPRIATE LEVELS

[SEC. 311. (a) LEGISLATION SUBJECT TO POINT OF ORDER.—After the Congress has completed action on the concurrent resolution on the budget required to be reported under section 310(a) for a fiscal year, and, if a reconciliation bill or resolution, or both, for such fiscal year are required to be reported under section 310(c), after that bill has been enacted into law or that resolution has been agreed to, it shall not be in order in either the House of Representatives or the Senate to consider any bill, resolution, or amendment providing additional new budget authority for such fiscal year, providing new spending authority described in section 401(c)(2)(C) to become effective during such fiscal year, or reducing revenues for such fiscal year, or any conference report on any such bill or resolution, if—

[(1) the enactment of such bill or resolution as reported;

[(2) the adoption and enactment of such amendment; or

[(3) the enactment of such bill or resolution in the form recommended in such conference report;

would cause the appropriate level of total new budget authority or total budget outlays set forth in the most recently agreed to concurrent resolution on the budget for such fiscal year to be exceeded, or would cause revenues to be less than the appropriate level of revenues set forth in such concurrent resolution.

[(b) DETERMINATION OF OUTLAYS AND REVENUES.—For purposes of subsection (a), the budget outlays to be made during a fiscal year and revenues to be received during a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the House of Representatives or the Senate, as the case may be.]

TITLE III—CONGRESSIONAL BUDGET PROCESS

TIMETABLE

SEC. 300. The timetable with respect to the congressional budget process for any fiscal year is as follows:

On or before:	*Action to be completed:*
First Monday after January 3.	*President submits his budget.*
February 15	*Congressional Budget Office submits report to Budget Committees.*
February 25	*Committees submit views and estimates to Budget Committees.*
April 15	*Congress completes action on concurrent resolution on the budget.*
June 10	*House Appropriations Committee reports last regular appropriation bill.*
June 30	*House completes action on regular appropriation bills and reconciliation legislation.*
August 15	*Senate completes action on regular appropriation bills and reconciliation legislation.*
October 1	*Fiscal year begins.*

ANNUAL ADOPTION OF CONCURRENT RESOLUTON ON THE BUDGET

SEC. 301. (a) CONTENT OF CONCURRENT RESOLUTION ON THE BUDGET.—On or before April 15 of each year, the Congress shall complete action on a concurrent resolution on the budget for the fiscal year beginning on October 1 of such year. The concurrent resolution shall set forth appropriate levels for the fiscal year beginning on October 1 of such year, and planning levels for each of the two ensuing fiscal years, for the following—

(1) totals of new budget authority, budget outlays, entitlement authority, direct loan obligations, and primary loan guarantee commitments;

(2) total Federal revenues and the amount, if any, by which the aggregate level of Federal revenues should be increased or decreased by bills and resolutions to be reported by the appropriate committees; and the amount (excluding the effect of changes in tax rates under existing law), if any, by which the aggregate level of tax expenditures should be increased or decreased by bills and resolutions to be reported by the appropriate committees;

(3) the surplus or the deficit in the budget;

(4) new budget authority, budget outlays, entitlement authority, direct loan obligations, and primary loan guarantee commitments for each major functional category, based on allocations of the total levels set forth pursuant to paragraph (1); and

(5) the public debt.

(b) ADDITIONAL MATTERS IN CONCURRENT RESOLUTION.—The concurrent resolution on the budget may—

(1) set forth, if required by subsection (f), the calendar year in which, in the opinion of the Congress, the goals for reducing unemployment set forth in section 4(b) of the Employment Act of 1946 should be achieved;

(2) include the reconciliation directives described in section 310; and

(3) set forth such other matters, and require such other procedures, relating to the budget as may be appropriate to carry out the purposes of this Act.

(c) CONSIDERATION OF PROCEDURES OR MATTERS WHICH HAVE THE EFFECT OF CHANGING ANY RULE OF THE HOUSE OF REPRESENTATIVES.—If the Committee on the Budget of the House of Representatives reports any concurrent resolution on the budget which includes any procedure or matter which has the effect of changing any rule of the House of Representatives, such concurrent resolution shall then be referred to the Committee on Rules with instructions to report it within five calendar days (not counting any day on which the House is not in session). The Committee on Rules shall have the jurisdiction to report any concurrent resolution referred to it under this paragraph with an amendment or amendments which change or strike out any such procedure or matter.

(d) VIEWS AND ESTIMATES OF OTHER COMMITTEES.—On or before February 25 of each year, each standing committee of the House of Representatives shall submit to the Committee on the Budget of the House and each standing committee of the Senate shall submit to the Committee on the Budget of the Senate its views and estimates

38-708 O - 84 - 10

(as determined by the committee making such submission) with respect to all matters set forth in subsections (a) and (b) which relate to matters within the jurisdiction or functions of such committee. The Joint Economic Committee shall submit to the Committees on the Budget of both Houses its recommendations as to the fiscal policy appropriate to the goals of the Employment Act of 1946. Any other committee of the House or Senate may submit to the Committee on the Budget of its House, and any joint committee of the Congress may submit to the Committees on the Budget of both Houses, its views and estimates with respect to all matters set forth in subsections (a) and (b) which relate to matters within its jurisdiction or functions.

(3) HEARING AND REPORT.—In developing the concurrent resolution on the budget referred to in subsection (a) for each fiscal year, the Committee on the Budget of each House shall hold hearings and shall receive testimony from Members of Congress and such appropriate representatives of Federal departments and agencies, the general public, and national organizations as the committee deems desirable. Each of the recommendations as to short-term and medium term goals set forth in the report submitted by the members of the Joint Economic Committee under subsection (d) may be considered by the Committee on the Budget of each House as part of its consideration of such concurrent resolution, and its report may reflect its views thereon, and on how the estimates of revenues and levels of budget authority and outlays set forth in such concurrent resolution are designed to achieve any goals it is recommending. The report accompanying such concurrent resolution shall include, but not be limited to—

(1) a comparison of revenues estimated by the committee with those estimated in the budget submitted by the President;

(2) a comparison of the appropriate levels of total budget outlays and total new budget authority, total direct loan obligations, total primary loan guarantee commitments, and total entitlement authority, as set forth in such concurrent resolution, with those estimated and requested in the budget submitted by the President;

(3) with respect to each major functional category, an estimate of budget outlays and an appropriate level of new budget authority for all proposed programs and for all existing programs (including renewals thereof), with the estimate and level for existing programs being divided between permanent authority and funds provided in approriation Acts, and each such division being subdivided between controllable amounts and all other amounts;

(4) an allocation of the level of Federal revenues recommended in the concurrent resolution among the major sources of such revenues;

(5) the economic assumptions and objectives which underlie each of the matters set forth in such concurrent resolution and alternative economic assumptions and objectives which the committee considered;

(6) projections, not limited to the following, for the period of five fiscal years beginning with such fiscal year of the estimated levels of total budget outlays, total new budget authority, the

estimated revenues to be received, and the estimated surplus or deficit, if any, for each fiscal year in such period, and the estimated levels of tax expenditures (the tax expenditures budget) by major functional categories;

(7) a statement of any significant changes in the proposed levels of Federal assistance to State and local governments;

(8) a comparison of Federal priorities by functional category including budget authority and outlays, direct loan obligations and primary loan guarantee commitments, and tax expenditures; and

(9) information, data, and comparisons indicating the manner in which, and the basis on which, the committee determined each of the matters set forth in the concurrent resolution, including an explanation of how such matters compare with the views and estimates of the standing committees of its House.

(f) ACHIEVEMENT OF GOALS FOR REDUCING UNEMPLOYMENT.—

(1) If, pursuant to section 4(c) of the Employment Act of 1946, the President recommends in the Economic Report that the goals for reducing unemployment set forth in section 4(b) of such Act be achieved in a year after the close of the five-year period prescribed by such subsection, the concurrent resolution on the budget for the fiscal year beginning after the date on which such Economic Report is received by the Congress may set forth the year in which, in the opinion of the Congress, such goals can be achieved.

(2) After the Congress has expressed its opinion pursuant to paragraph (1) as to the year in which the goals for reducing unemployment set forth in section 4(b) of the Employment Act of 1946, can be achieved, if, pursuant to section 4(e) of such Act, the President recommends in the Economic Report that such goals be achieved in a year which is different from the year in which the Congress has expressed its opinion that such goals should be achieved, either in its action pursuant to paragraph (1) or in its most recent action pursuant to this paragraph, the concurrent resolution on the budget for the fiscal year beginning after the date on which such Economic Report is received by the Congress may set forth the year in which, in the opinion of the Congress, such goals can be achieved.

(3) It shall be in order to amend the provision of such resolution setting forth such year only if the amendment thereto also proposes to alter the estimates, amounts, and levels (as described in subsection (a)) set forth in such resolution in germane fashion in order to be consistent with the economic goals (as described in sections 3(a)(2) and 4(b) of the Employment Act of 1946) which such amendment proposes can be achieved by the year specified in such amendment.

(g) COMMON ECONOMIC ASSUMPTIONS.—The joint explanatory statement accompanying a conference report on a concurrent resolution on the budget shall set forth the common economic assumptions upon which such joint statement and conference report are based.

(h) BUDGET COMMITTEES CONSULTATION WITH STANDING COMMITTEES.—The Committee on the Budget of each House shall consult with the standing committees of its House during the preparation,

consideration, and enforcement of the concurrent resolution on the budget with respect to all matters which relate to the jurisdiction or functions of such committees.

COMMITTEE ALLOCATIONS

SEC. 302. (a) ALLOCATION FOR DISCRETIONARY ACTION.—For purposes of controlling congressional action as described by sections 311 and 312, the report accompanying a concurrent resolution on the budget for a fiscal year and the joint explanatory statement accompanying a conference report on a concurrent resolution on the budget for a fiscal year shall include an allocation for discretionary action for such fiscal year, or for the total of such fiscal year and the ensuing fiscal year, or for the total for such fiscal year and each of the two ensuing years, based upon such concurrent resolution as reported or as recommended in such conference report, of new budget authority (excluding such authority to cover entitlement authority in the case of the Committee on Appropriations), new spending authority as described in section 401(c)(2), revenues, tax expenditures (excluding the effect of changes in tax rates under existing law), new direct loan obligations and new primary loan guarantee commitments to each committee of the House of Representatives and the Senate which has jurisdiction over bills and resolutions that would implement such action. The allocation provided under this subsection shall not extend beyond the assumed duration of the programs intended to be covered by the allocation.

(b) REPORTS BY COMMITTEES.—As soon as practicable after a conference report on a concurrent resolution on the budget is agreed to—

(1) the Committee on Appropriations of each House shall, after consulting with the Committee on Appropriations of the other House, subdivide among its subcommittees the allocation for discretionary action allocated to it in the joint explanatory statement accompanying the conference report on such concurrent resolution; and

(2) every other committee of the House and Senate to which an allocation for discretionary action was made in such joint explanatory statement shall (except in the case of allocations for revenues and tax expenditures), after consulting with the committee or committees of the other House to which all or part of its allocation was made, subdivide its allocation among its subcommittees or among programs over which it has jurisdiction.

Each such committee shall promptly report to its House the subdivisions made by it pursuant to this subsection only if it is given a discretionary action allocation in the joint explanatory statement accompanying the conference report on such concurrent resolution.

(c) LEGISLATION SUBJECT TO POINT OF ORDER.—It shall not be in order in the House of Representatives or the Senate to consider any bill, resolution, amendment, or conference report providing budget authority, spending authority as described in section 401(c)(2), or credit authority within the jurisdiction of any committee until such committee reports to the House the subdivisions required by subsections (b) and (e) for the applicable year in connection with the most recently agreed to concurrent resolution on the budget.

(d) SUBSEQUENT CONCURRENT RESOLUTIONS.—In the case of a concurrent resolution on the budget referred to in section 304, the allocations under subsection (a) and the subdivisions under subsection (b) shall be required only to the extent necessary to take into account revisions made in the most recently agreed to concurrent resolution on the budget.

(e) DIVISION OF BUDGET TOTALS AMONG COMMITTEES.—

(1) For purposes of information, the report accompanying a concurrent resolution on the budget and the joint explanatory statement accompanying a conference report on a concurrent resolution on the budget shall include an estimated division, based upon such concurrent resolution recommended in such report or in such conference report, of the appropriate levels of total budget outlays, total new budget authority, total entitlement authority, total direct loan obligations, and total primary loan guarantee commitments among each committee of the House of Representatives and the Senate which has jurisdiction over such authorities.

(2) As soon as practicable after any such conference report is filed—

(A) the Committee on Appropriations of each House shall, after consulting with the Committee on Appropriations of the other House, subdivide among its subcommittees its share of the estimated division of budget outlays set forth in such conference report; and

(B) every other committee of the House and Senate with respect to which an estimated division of budget outlays is made in such conference report shall, after consulting with the committee or committees of the other House to which all or part of such subdivision is made, subdivide its share of the estimated division of budget outlays among its subcommittees or among programs over which it has jurisdiction.

CONCURRENT RESOLUTION ON THE BUDGET MUST BE ADOPTED BEFORE LEGISLATION PROVIDING NEW BUDGET AUTHORITY, NEW SPENDING AUTHORITY, NEW CREDIT AUTHORITY OR CHANGES IN REVENUES OR THE PUBLIC DEBT LIMIT IS CONSIDERED

SEC. 303. (a) IN GENERAL.—It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution (or amendment thereto) as reported to the House or Senate which provides—

(1) new budget authority for a fiscal year;

(2) an increase or decrease in revenues to become effective during a fiscal year;

(3) an increase or decrease in the public debt limit to become effective during a fiscal year;

(4) new spending authority described in section 401(c)(2) to become effective during a fiscal year; or

(5) new credit authority for a fiscal year;

until the concurrent resolution on the budget for such fiscal year has been agreed to pursuant to section 301.

(b) EXCEPTIONS.—Subsection (a) does not apply to any bill or resolution (or amendment thereto) which—

(1) provides new budget authority which first becomes effective in the second fiscal year (or any fiscal year after the second fiscal year) following the fiscal year in which the bill or resolution (or amendment thereto) is to be considered by the House or Senate; or

(2) provides for increases or decreases in revenues which first become effective in the second fiscal year (or any fiscal year after the second fiscal year) following the fiscal year in which the bill or resolution (or amendment thereto) is to be considered by the House or Senate.

(c) WAIVER IN THE SENATE.—

(1) The committee of the Senate which reports any bill or resolution (or amendment thereto) to which subsection (a) applies may at or after the time it reports such bill or resolution (or amendment thereto), report a resolution to the Senate (A) providing for the waiver of subsection (a) with respect to such bill or resolution (or amendment thereto), and (B) stating the reasons why the waiver is necessary. The resolution shall then be referred to the Committee on the Budget of the Senate. That committee shall report the resolution to the Senate within 10 days after the resolution is referred to it (not counting any day on which the Senate is not in session) beginning with the day following the day on which it is so referred, accompanied by that committee's recommendations and reasons for such recommendations with respect to the resolution. If the committee does not report the resolution within such 10-day period, it shall automatically be discharged from further consideration of the resolution and the resolution shall be placed on the calendar.

(2) During the consideration of any such resolution, debate shall be limited to one hour, to be equally divided between, and controlled by, the majority leader and minority leader or their designees, and the time on any debatable motion or appeal shall be limited to twenty minutes, to be equally divided between, and controlled by, the mover and the manager of the resolution. In the event the manager of the resolution is in favor of any such motion or appeal, the time in opposition thereto shall be controlled by the minority leader or his designee. Such leaders, or either of them, may, from the time under their control on the passage of such resolution, allot additional time to any Senator during the consideration of any debatable motion or appeal. No amendment to the resolution is in order.

(3) If, after the Committee on the Budget has reported (or been discharged from further consideration of) the resolution, the Senate agrees to the resolution, then subsection (a) shall not apply with respect to the bill or sresolution (or amendment thereto) to which the resolution so agreed to applies.

PERMISSIBLE REVISIONS OF CONCURRENT RESOLUTIONS ON THE BUDGET

SEC. 304. SUBSEQUENT CONCURRENT RESOLUTIONS.—At any time after the concurrent resolution on the budget for a fiscal year has

been agreed to pursuant to section 301, and before the end of such fiscal year, the two Houses may adopt a concurrent resolution on the budget which revises the concurrent resolution on the budget for such fiscal year most recently agreed to.

PROVISIONS RELATING TO THE CONSIDERATION OF CONCURRENT RESOLUTIONS ON THE BUDGET

SEC. 305. (a) PROCEDURE IN HOUSE OF REPRESENTATIVES AFTER REPORT OF COMMITTEE; DEBATE.—

(1) When the Committee on the Budget of the House has reported any concurrent resolution on the budget, it is in order at any time after the fifth day (excluding Saturdays, Sundays, and legal holidays) following the day on which the report upon such resolution by the Committee on the Budget has been available to Members of the House and, if applicable, after the first day (excluding Saturdays, Sundays, and legal holidays) following the day on which a report upon such resolution by the Committee on Rules pursuant to section 301(c) has been made available to Members of the House (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the concurrent resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) General debate on any concurrent resolution on the budget in the House of Representatives shall be limited to not more than 10 hours, which shall be divided equally between the majority and minority parties, plus such additional hours of debate as are consumed pursuant to paragraph (3). A motion further to limit debate is not debatable. A motion to recommit the concurrent resolution is not in order, and it is not in order to move to reconsider the vote by which the concurrent resolution is agreed to or disagreed to.

(3) Following the presentation of opening statements on the concurrent resolution on the budget for a fiscal year by the chairman and ranking minority member of the Committee on the Budget of the House, there shall be a period of up to four hours for debate on economic goals and policies.

(4) Only if a concurrent resolution on the budget reported by the Committee on the Budget of the House sets forth the economic goals (as described in sections 3(a)(2) and 4(b) of the Full Employment Act of 1946) which the estimates, amounts, and levels (as described in section 301(a)) set forth in such resolution are designed to achieve, shall it be in order to offer to such resolution an amendment relating to such goals, and such amendment shall be in order only if it also proposes to alter such estimates, amounts, and levels in germane fashion in order to be consistent with the goals proposed in such amendment.

(5) Consideration of any concurrent resolution on the budget by the House of Representatives shall be in the Committee of the Whole, and the resolution shall be considered for amendment under the five-minute rule in accordance with the applicable provisions of rule XXIII of the Rules of the House of Repre-

sentatives. After the Committee rises and reports the resolution back to the House, the previous question shall be considered as ordered on the resolution and any amendments thereto to final passage without intervening motion; except that it shall be in order at any time prior to final passage (notwithstanding any other rule or provision of law) to adopt an amendment (or a series of amendments) changing any figure or figures in the resolution as so reported to the extent necessary to achieve mathematical consistency.

(6) Debate in the House of Representatives on the conference report on any concurrent resolution on the budget shall be limited to not more than 5 hours, which shall be divided equally between the majority and minority parties. A motion further to limit debate is not debatable. A motion to recommit the conference report is not in order, and it is not in order to move to reconsider the vote by which the conference report is agreed to or disagreed to.

(7) Appeals from decisions of the Chair relating to the application of the Rules of the House of Representatives to the procedure relating to any concurrent resolution on the budget shall be decided without debate.

(b) PROCEDURE IN SENATE AFTER REPORT OF COMMITTEE; DEBATE; AMENDMENTS.—

(1) Debate in the Senate on any concurrent resolution on the budget, and all amendments thereto and debatable motions and appeals in connection therewith, shall be limited to not more than 50 hours, except that with respect to any concurrent resolution referred to in section 304(a), all such debate shall be limited to not more than 15 hours. The time shall be equally divided between, and controlled by, the majority leader and the minority leader or their designees.

(2) Debate in the Senate on any amendment to a concurrent resolution on the budget shall be limited to 2 hours, to be equally divided between, and controlled by, the mover and the manager of the concurrent resolution, and debate on any amendment to an amendment, debatable motion, or appeal shall be limited to 1 hour, to be equally divided between, and controlled by, the mover and the manager of the concurrent resolution, except that in the event the manager of the concurrent resolution is in favor of any such amendment, motion, or appeal, the time in opposition thereto shall be controlled by the minority leader or his designee. No amendment that is not germane to the provisions of such concurrent resolution shall be received. Such leaders, or either of them, may, from the time under their control on the passage of the concurrent resolution, allot additional time to any Senator during the consideration of any amendment, debatable motion, or appeal.

(3) Following the presentation of opening statements on the concurrent resolution on the budget for a fiscal year by the chairman and ranking minority member of the Committee on the Budget of the Senate, there shall be a period of up to four hours for debate on economic goals and policies.

(4) Only if a concurrent resolution on the budget reported by the Committee on the Budget of the Senate sets forth the eco-

nomic goals (as described in sections 3(a)(2) and 4(b) of the Employment Act of 1946), which the estimates, amounts, and levels (as described in section 301(a)) set forth in such resolution are designed to achieve, shall it be in order to offer to such resolution an amendment relating to such goals, and such amendment shall be in order only if it also proposes to alter such estimates, amounts, and levels in germane fashion in order to be consistent with the goals proposed in such amendment.

(5) A motion to further limit debate is not debatable. A motion to recommit (except a motion to recommit with instructions to report back within a specified number of days, not to exceed 3, not counting any day on which the Senate is not in session) is not in order. Debate on any such motion to recommit shall be limited to 1 hour, to be equally divided between, and controlled by, the mover and the manager of the concurrent resolution.

(6) Notwithstanding any other rule, an amendment or series of amendments to a concurrent resolution on the budget proposed in the Senate shall always be in order if such amendment or series of amendments proposes to change any figure or figures then contained in such concurrent resolution so as to make such concurrent resolution mathematically consistent or so as to maintain such consistency.

(c) CONSIDERATION OF PROCEDURES OR MATTERS WHICH HAVE THE EFFECT OF CHANGING ANY RULE OF THE HOUSE OF REPRESENTATIVES.—

(1)(A) With respect to any report of a committee of conference on a concurrent resolution on the budget called up before the House containing any procedure or matter which has the effect of changing any rule of the House of Representatives and which was not included in the measure as passed by the House, it shall be in order, at any time after the reading of the report has been completed or dispensed with and before the reading of the statement, or immediately upon consideration of a conference report if clause 2(c) of Rule XXVIII of the Rules of the House of Representatives applies, to offer a motion, which is of high privilege, that the House reject such procedure or matter. It shall be in order to debate such motion for forty minutes, one-half of such time to be given to debate in favor of, and one-half in opposition to, the motion.

(B) Notwithstanding the final disposition of any motion made under this paragraph, it shall be in order to offer further motions to reject with respect to other procedures or matters in the report of the committee of conference not covered by any previous motion to reject.

(C) If any such motion to reject has been adopted, after final disposition of all such motions under the preceding provisions of this paragraph, and after final disposition of all points of order and motions to reject under clause 4 of Rule XXVIII of the Rules of the House of Representatives, the conference report shall be considered as rejected and the question then pending before the House shall be—

(i) whether to recede and concur in the Senate amendment with an amendment which shall consist of that portion of the conference report not rejected; or

(ii) whether to insist further on the House amendment.

If all such motions to reject are defeated, then, after the allocation of time for debate on the conference report as provided in clause 2(a) of Rule XXVIII of the Rules of the House of Representatives, it shall be in order to move the previous question on the adoption of the conference report.

(2)(A) With respect to any amendment (including an amendment in the nature of a substitute) which—

(i) is proposed by the Senate to any concurrent resolution on the budget and thereafter—

(I) is reported in disagreement between the two Houses by a committee of conference; or

(II) is before the House, the stage of disagreement having been reached; and

(ii) contains procedure or matter which has the effect of changing any rule was not included in the measure as passed the House;

it shall be in order, immediately after a motion is offered that the House recede from its disagreement to such amendment proposed by the Senate and concur therein and before debate is commenced on such motion, to offer a motion, which is of high privilege, that the House reject the procedure or matter. It shall be in order to debate such motion for forty minutes, one-half of such time to be given to debate in favor of, and one-half in opposition to, the motion.

(B) Notwithstanding the final disposition of any motion made under subparagraph (A), it shall be in order to offer further such motions with respect to other procedures or matters in the amendment proposed by the Senate not covered by any previous motion to reject.

(C) If any such motion to reject has been adopted, after final disposition of all motions to reject under the preceding provisions of this paragraph, and after final disposition of all points of order and motions to reject under clause 5 of Rule XXVIII of the Rules of the House of Representatives, the motion to recede and concur shall be considered as rejected, and further motions—

(i) to recede and concur in the Senate amendment with an amendment, where appropriate (but the offering of which is not in order unless copies of the language of the Senate amendment, as proposed to be amended by such motion, are then available on the floor when such motion is offered and is under consideration);

(ii) to insist upon disagreement to the Senate amendment and request a further conference with the Senate; and

(iii) to insist upon disagreement to the Senate amendment;

shall remain of high privilege for consideration by the House. If all such motions to reject are defeated, then, after the allocation of time for debate on the motion to recede and concur as provided in clause 2(b) of Rule XXVIII of the Rules of the

House of Representatives, it shall be in order to move the previous question on such motion.

(D)(i) With respect to any such amendment proposed by the Senate as described in subparagraph (A)(i) of this paragraph, it shall not be in order to offer any motion that the House recede from its disagreement to such Senate amendment and concur therein with an amendment, unless copies of the language of the Senate amendment, as proposed to be amended by such motion, are then available on the floor when such motion is offered and is under consideration.

(ii) Immediately after any such motion is offered and is in order and before debate is commenced on such motion, it shall be in order to offer a motion, which is of high privilege, that the House reject any procedure or matter which has the effect of changing any rule of the House of Representatives which is contained in the Senate amendment as proposed to be amended by such motion or which is contained in the proposed amendment to the Senate amendment, and which was not included in the concurrent resolution on the budget as passed by the House. It shall be in order to debate such motion for forty minutes, one-half of such time to be given to debate in favor of, and one-half in opposition to, the motion.

(iii) Notwithstanding the final disposition of any motion under clause (ii), it shall be in order to make further such motions with respect to other procedures or matters in the language of the Senate amendment, as proposed to be amended by the motion, or in the proposed amendment to the Senate amendment, not covered by any previous motion to reject.

(E) If any such motion to reject has been adopted, after final disposition of all motions to reject under the preceding provisions of this paragraph, and after final disposition of all points of order and motions to reject under clause 5 of Rule XXVIII of the Rules of the House of Representatives, the motion to recede and concur in the Senate amendment with an amendment shall be considered as rejected, and further motions—

> *(i) to recede and concur in the Senate amendment with an amendment, where appropriate (but the offering of which is not in order unless copies of the language of the Senate amendment, as proposed to be amended by such motion, are then available on the floor when such motion is offered and is under consideration);*
>
> *(ii) to insist upon disagreement to the Senate amendment and request a further conference with the Senate; and*
>
> *(iii) to insist upon disagreement to the Senate amendment;*

shall remain of high privilege for consideration by the House. If all such motions to reject are defeated, then, after the allocation of time for debate on the motion to recede and concur in the Senate amendment with an amendment as provided in clause 2(b) of Rule XXVIII of the Rules of the House of Representatives, it shall be in order to move the previous question on such motion.

(F) If, on a division of a motion that the House recede and concur, with or without amendment, from its disagreement to

any such Senate amendment as described in subparagraph (A) of this paragraph, the House agrees to recede, then, before debate is commenced on concurring in such Senate amendment, or on concurring therein with an amendment, it shall be in order to make motions to reject with respect to such Senate amendment in accordance with applicable provisions of this clause and to effect final determination of these matters in accordance with such provisions.

(d) ACTION OF CONFERENCE REPORTS IN THE SENATE.—

(1) The conference report on any concurrent resolution on the budget shall be in order in the Senate at any time after the third day (excluding Saturdays, Sundays, and legal holidays) following the day on which such a conference report is reported and is available to Members of the Senate. A motion to proceed to the consideration of the conference report may be made even though a previous motion to the same effect has been disagreed to.

(2) During the consideration in the Senate of the conference report on any concurrent resolution on the budget, debate shall be limited to 10 hours, to be equally divided between them, and controlled by, the majority leader and minority leader or their designees. Debate on any debatable motion or appeal related to the conference report shall be limited to 1 hour, to be equally divided between, and controlled by, the mover and the manager of the conference report.

(3) Should the conference report be defeated, debate on any request for a new conference and the appointment of conferees shall be limited to 1 hour, to be equally divided between, and controlled by, the manager of the conference report and the minority leader or his designee, and should any motion be made to instruct the conferees before the conferees are named, debate on such motion shall be limited to one-half hour, to be equally divided between, and controlled by, the mover and the manager of the conference report. Debate on any amendment to any such instructions shall be limited to 20 minutes, to be equally divided between and controlled by the mover and the manager of the conference report. In all cases when the manager of the conference report is in favor of any motion, appeal, or amendment, the time in opposition shall be under the control of the minority leader or his designee.

(4) In any case in which there are amendments in disagreement, time on each amendment shall be limited to 30 minutes, to be equally divided between, and controlled by, the manager of the conference report and the minority leader or his designee. No amendment that is not germane to the provisions of such amendments shall be received.

(e) REQUESTED ACTION BY CONFERENCE COMMITTEE.—If at the end of 7 days (excluding Saturdays, Sundays, and legal holidays) after the conferees of both Houses have been appointed to a committee of conference on a concurrent resolution on the budget, the conferees are unable to reach agreement with respect to all matters in disagreement between the two Houses, then the conferees shall submit to their respective Houses, on the first day thereafter on which their House is in session—

(1) a conference report recommending those matters on which they have agreed and reporting in disagreement those matters on which they have not agreed; or

(2) a conference report in disagreement, if the matter in disagreement is an amendment which strikes out the entire text of the concurrent resolution and inserts a substitute text.

(f) CONCURRENT RESOLUTION MUST BE CONSISTENT IN THE SENATE.—It shall not be in order in the Senate to vote on the question of agreeing to—

(1) a concurrent resolution on the budget unless the figures then contained in such resolution are mathematically consistent; or

(2) a conference report on a concurrent resolution on the budget unless the figures contained in such resolution, as recommended in such conference report, are mathematically consistent.

LEGISLATION DEALING WITH CONGRESSIONAL BUDGET MUST BE HANDLED BY BUDGET COMMITTEES

SEC. 306. No bill or resolution, and no amendment to any bill or resolution, dealing with any matter which is within the jurisdiction of the Committee on the Budget of either House shall be considered in that House unless it is a bill or resolution which has been reported by the Committee on the Budget of that House (or from the consideration of which such committee has been discharged) or unless it is an amendment to such a bill or resolution.

HOUSE COMMITTEE ACTION ON ALL APPROPRIATION BILLS TO BE COMPLETED BY JUNE 10

SEC. 307. On or before June 10 of each year, the Committee on Appropriations of the House of Representatives shall report bills and resolutions providing new budget authority under the jurisdiction of all of its subcommittees for the fiscal year which begins on October 1 of that year.

REPORTS, SUMMARIES, AND PROJECTIONS OF CONGRESSIONAL BUDGET ACTIONS

SEC. 308. (a) REPORTS ON LEGISLATION PROVIDING NEW BUDGET AUTHORITY, NEW SPENDING AUTHORITY, NEW CREDIT AUTHORITY, OR PROVIDING AN INCREASE OR DECREASE IN REVENUES OR TAX EXPENDITURES.—

(1) Whenever a committee of either House reports to its House a bill or resolution, or committee amendment thereto, providing new budget authority (other than continuing appropriations), new spending authority described in section 401(c)(2), new credit authority, or providing an increase or decrease in revenues or tax expenditures for a fiscal year, the report accompanying that bill or resolution shall contain a statement, or the committee shall make available such a statement in the case of an approved committee amendment which is not reported to its House, prepared after consultation with the Director of the Congressional Budget Office—

(A) comparing the discretionary action levels in any such measure to the allocations for discretionary action in the reports submitted under section 302(b) for the most recently agreed to concurrent resolution on the budget for such fiscal year;

(B) comparing the outlays estimated to result from any such measure for such fiscal year with the estimated subdivisions of outlays in reports submitted under section 302(e) for the most recently agreed to concurrent resolution on the budget for such fiscal year;

(C) including an identification of any new spending authority described in section 401(c)(2) which is contained in any such measure and a justification for the use of such financing method instead of annual appropriations;

(D) containing a projection by the Congressional Budget Office of how any such measure will affect the levels of such spending authority, revenues, tax expenditures, direct loan obligations, or primary loan guarantee commitments under existing law for such fiscal year and each of the four ensuing fiscal years;

(E) setting forth the level of new budget authority for assistance to State and local governments provided by any such measure; and

(F) comparing the levels provided by any such measure with the levels provided by law for the fiscal year preceding such fiscal year, and with levels requested by the President for such measure for such fiscal year.

(2) Whenever a conference report is filed in either House and such conference report or amendment reported in disagreement or an amendment to be proposed by the conferees in the case of technical disagreement on such bill or resolution provides new budget authority (other than continuing appropriations), new spending authority described in section 401(c)(2), or new credit authority, or provides an increase or decrease in revenues or tax expenditures for a fiscal year, the committee, after consultation with the Director of the Congressional Budget Office, shall make available to Members at least two hours prior to consideration of such conference report by the House of Representatives or Senate the matters described under subsection (a)(1). It shall not be in order to consider a conference report if this paragraph has not been complied with.

(b) UP-TO-DATE TABULATIONS OF CONGRESSIONAL BUDGET ACTIONS.—

(1) The Director of the Congressional Budget Office shall issue to the committees of the House and the Senate reports on at least a monthly basis detailing and tabulating the progress of congressional action on bills and resolutions providing new budget authority, new spending authority described in section 401(c)(2), new credit authority, or providing an increase or decrease in revenues or tax expenditures for a fiscal year. Such reports shall include, but are not limited to—

(A) an up-to-date tabulation comparing the appropriate aggregate and functional levels (including outlays) included in the most recently adopted concurrent resolution on

the budget with levels provided in bills and resolutions reported by committees or adopted by either House or by the Congress, with levels provided by law for the fiscal year preceding such fiscal year, and with levels requested by the President for such fiscal year;

(B) an up-to-date tabulation comparing levels of discretionary action for a fiscal year in bills and resolutions reported by committees or adopted by either House or by the Congress with allocations for discretionary action in reports submitted under subsections (a) and (b) of section 302, with levels provided by law for the fiscal year preceding such fiscal year, and with levels requested by the President for such fiscal year; and

(c) an up-to-date tabulation comparing levels of budget outlays for a fiscal year estimated to result from bills and resolutions reported by committees or adopted by either House or by the Congress, or estimated to result from existing law within jurisdiction of such committees with estimates of outlays in reports submitted under section 302(e).

(2) The Committee on the Budget of each House shall make available to Members of its House summary budget scorekeeping reports. Such reports—

(A) shall be made available on at least a monthly basis, but in any case, frequently enough to provide Members of each House an accurate representation of the current status of congressional consideration of the budget;

(B) shall include, but are not limited to, summaries of tabulations provided under subsection (b)(1); and

(C) shall be based on information provided under subsection (b)(1) without substantive revision.

The chairman of the Committee on the Budget of the House shall submit such reports to the Speaker and they shall be printed as House documents.

(c) FIVE-YEAR PROJECTION OF CONGRESSIONAL BUDGET ACTION.—As soon as practicable after the beginning of each fiscal year, the Director of the Congressional Budget Office shall issue a report projecting for the period of 5 fiscal years beginning with such fiscal year—

(1) total new budget authority and total budget outlays for each fiscal year in such period;

(2) revenues to be received and the major sources thereof, and the surplus or deficit, if any, for each fiscal year in such period;

(3) tax expenditures for each fiscal year in such period;

(4) entitlement authority for each fiscal year in such period; and

(5) credit authority for each fiscal year in such period.

APPROVAL OF REGULAR APPROPRIATION BILLS

SEC. 309. (a) APPROVAL BY THE HOUSE.—It shall not be in order in the House of Representatives to consider any resolution providing for an adjournment period of more than three calendar days during the month of July until the House of Representatives has approved bills and resolutions providing new budget authority under the ju-

risdiction of all the subcommittees of the Committee on Appropriations for the fiscal year beginning on October 1 of such year, other than supplemental, deficiency, and continuing appropriation bills and resolutions.

(b) APPROVAL BY THE SENATE.—Not later than August 15 of each year, the Senate shall approve bills and resolutions providing new budget authority under the jurisdiction of all the subcommittees of the Committee on Appropriations for the fiscal year beginning on October 1 of such year.

RECONCILIATION

SEC. 310. (a) INCLUSION OF RECONCILIATION DIRECTIVES IN CONCURRENT RESOLUTIONS ON THE BUDGET.—Any concurrent resolution on the budget shall, to the extent necessary to effectuate the provisions and requirements of such resolution, specify the total amount for such fiscal year, or the total amount for such fiscal year and the ensuing fiscal year, or the total amount for such fiscal year and the two ensuing fiscal years by which—

(1) budget authority;

(2) spending authority described in section 401(c)(2);

(3) credit authority;

(4) revenues; or

(5) tax expenditures (excluding the effect of changes in tax rates under existing law);

provided by laws, bills, and resolutions within the jurisdiction of a committee is to be changed and provide an estimate of the resulting change in budget outlays, and direct that committee to recommend legislation to accomplish a change of such total amount.

(b) LEGISLATIVE PROCEDURE.—If a concurrent resolution is agreed to in accordance with subsection (a) containing directives to one or more committees to determine and recommend changes in laws, bills, or resolutions, and—

(1) only one committee of the House or the Senate is directed to determine and recommend changes, that committee shall promptly make such determination and recommendations and report to its House reconciliation legislation containing such recommendations; or

(2) more than one committee of the House or the Senate is directed to determine and recommend changes, each such committee so directed shall promptly make such determination and recommendations and submit such recommendations to the Committee on the Budget of its House, which, upon receiving all such recommendations, shall report to its House reconciliation legislation carrying out all such recommendations without any substantive revision.

(c) PROCEDURE IN THE HOUSE OF REPRESENTATIVES.—The Committee on Rules of the House of Representatives may make in order amendments to achieve changes specified by reconciliation directives contained in a concurrent resolution on the budget if a committee or committees of the House fail to submit recommended changes to its Committee on the Budget pursuant to its instruction.

(d) PROCEDURE IN THE SENATE.—

(1) Except as provided in paragraph (2), the provisions of section 305 for the consideration in the Senate of concurrent resolutions on the budget and conference reports thereon shall also apply to the consideration in the Senate of reconciliation bills reported under subsection (b) and conference reports thereon.

(2) Debate in the Senate on any reconciliation bill reported under subsection (b), and all amendments thereto and debatable motions and appeals in connection therewith, shall be limited to not more than 20 hours.

(e) COMPLETION OF RECONCILIATION PROCESS IN THE HOUSE OF REPRESENTATIVES AND IN THE SENATE.—

(1) It shall not be in order in the House of Representatives to consider any resolution providing for an adjournment period for more than three calendar days during the month of July until the House of Representatives has completed action on the reconciliation legislation for the fiscal year beginning on October 1 of the calendar year to which the adjournment resolution pertains, if reconciliation legislation is required to be reported by the concurrent resolution on the budget for such fiscal year.

(2) Not later than August 15 of each year, the Senate shall complete action on the reconciliation legislation for the fiscal year beginning on October 1 of such year, if reconciliation legislation is required to be reported by the concurrent resolution on the budget for such fiscal year.

NEW BUDGET AUTHORITY, NEW SPENDING AUTHORITY, NEW CREDIT AUTHORITY, AND REVENUE LEGISLATION MUST BE WITHIN APPROPRIATE LEVELS

SEC. 311. (a) LEGISLATION SUBJECT TO POINT OF ORDER.—Except as provided by subsection (b), after the Congress has completed action on a concurrent resolution on the budget for a fiscal year, it shall not be in order in either the House of Representatives or the Senate to consider any bill, resolution, or amendment providing new budget authority, new spending authority described in section 401(c)(2), or new credit authority to become effective during such fiscal year, or reducing revenues for such fiscal year, or any conference report on any such bill or resolution, if—

(1) the enactment of such bill or resolution as reported;

(2) the adoption and enactment of such amendment; or

(3) the enactment of such bill or resolution in the form recommended in such conference report;

would cause the appropriate level of total new budget authority, total budget outlays, total entitlement authority, total direct loan obligations, or total primary loan guarantee commitments set forth in the most recently agreed to concurrent resolution on the budget for such fiscal year to be exceeded, or would cause revenues to be less than the appropriate level of total revenues set forth in such concurrent resolution.

(b) EXCEPTION.—Subsection (a) shall not apply to bills, resolutions, or amendments within the jurisdiction of a committee, or any conference report on any such bill or resolution, if—

(1) the enactment of such bill or resolution as reported;

(2) the adoption and enactment of such amendment; or

38-708 O - 84 - 11

(3) the enactment of such bill or resolution in the form recommended in such conference report;

would not cause the allocation for discretionary action for such committee of new budget authority, new spending authority as described in section 401(c)(2), new direct loan obligations or new primary loan guarantee commitments made pursuant to section 302(a) for such fiscal year, or for the total of such fiscal year and the ensuing fiscal year, or for the total of such fiscal year and the two ensuing years to be exceeded, or would not cause revenues to be lower than the allocation of revenues, or tax expenditures (excluding the effect of changes in tax rates under existing law) to be higher than the allocation of tax expenditures, made to such committee pursuant to section 302(a) for the fiscal year, or for the total of such fiscal year and the ensuing fiscal year, or for the total of such fiscal year and the two ensuing years.

(c) DETERMINATION OF BUDGET LEVELS.—For purposes of this section, the levels of new budget authority, direct loan obligations, primary loan guarantee commitments, budget outlays, spending authority as described by section 401(c)(2), and revenues for a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the House of Representatives or of the Senate, as the case may be.

COMMITTEE ALLOCATION CONTROLS

SEC. 312. (a) LEGISLATION SUBJECT TO POINT OF ORDER.—After the Congress has completed action on a concurrent resolution on the budget for a fiscal year, it shall not be in order in either the House of Representatives or the Senate to consider any bill, resolution, or amendment providing new budget authority, new spending authority as described in section 401(c)(2), or new credit authority to become effective during such fiscal year or in a subsequent fiscal year, increasing tax expenditures (excluding the effect of changes in tax rates under existing law), or reducing revenues for such fiscal year or for a subsequent fiscal year, or any conference report on any such bill or resolution, if—

(1) the enactment of such bill or resolution as reported;

(2) the adoption and enactment of such amendment; or

(3) the enactment of such bill or resolution in the form recommended in such conference report;

would cause an allocation for discretionary action to a committee made pursuant to section 302(a) for such fiscal year (or, if such allocation is for the total of such fiscal year and the ensuing fiscal year, then the two-year total; or, if such allocation is for the total of such fiscal year and the two ensuing fiscal years, then the three-year total) of new budget authority, new spending authority as described in section 401(c)(2), new direct loan obligations and new primary loan guarantee commitments, tax expenditure increases (excluding the effect of changes in tax rates under existing law), or revenue reductions to be exceeded.

(b) DETERMINAITON OF BUDGET LEVELS.—For purposes of this section, the levels of new budget authority, budget outlays, spending authority as described in section 401(c)(2), direct loan obligations, primary loan guarantee commitments, tax expenditures, and reve-

nues for a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the House of Representatives or of the Senate, as the case may be.

TITLE IV—ADDITIONAL PROVISIONS TO IMPROVE FISCAL PROCEDURES

BILLS PROVIDING NEW SPENDING AUTHORITY

SEC. 401. (a) *CONTROLS ON* LEGISLATION PROVIDING CONTRACT OR BORROWING AUTHORITY.—It shall not be in order in either the House of Representatives or the Senate to consider any bill [or resolution], *resolution, or conference report, as reported to its House* which provides new spending authority described in subsection (c)(2)(A) or (B) (or any amendment which provides such new spending authority), unless that bill, resolution, *conference report,* or amendment also provides that such new spending authority is to be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

[(b) LEGISLATION PROVIDING ENTITLEMENT AUTHORITY.—

[(1) It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution which provides new spending authority described in subsection (c)(2)(C) (or any amendment which provides such new spending authority) which is to become effective before the first day of the fiscal year which begins during the calendar year in which such bill or resolution is reported.

[(2) If any committee of the House of Representatives or the Senate reports any bill or resolution which provides new spending authority described in subsection (c)(2)(C) which is to become effective during a fiscal year and the amount of new budget authority which will be required for such fiscal year if such bill or resolution is enacted as so reported exceeds the appropriate allocation of new budget authority reported under section 302(b) in connection with the most recently agreed to concurrent resolution on the budget for such fiscal year, such bill or resolution shall then be referred to the Committee on Appropriations of that House with instructions to report it, with the committee's recommendations, within 15 calendar days (not counting any day on which that House is not in session) beginning with the day following the day on which it is so referred. If the Committee on Appropriations of either House fails to report a bill or resolution referred to it under this paragraph within such 15-day period, the committee shall automatically be discharged from further consideration of such bill or resolution and such bill or resolution shall be placed on the appropriate calendar.

[(3) The Committee on Appropriations of each House shall have jurisdiction to report any bill or resolution referred to it under paragraph (2) with an amendment which limits the total amount of new spending authority provided in such bill or resolution.]

(b) CONTROLS ON PROVISIONS OF LEGISLATION PROVIDING OTHER NEW SPENDING AUTHORITY.—No provision of any bill, joint resolu-

tion, or resolution shall be reported by any committee, or be in order in any amendment thereto or conference report thereon, in the House of Representatives or the Senate, which provides new spending authority as described in subsection (c)(2)(D) or (E) unless that bill, joint resolution, or resolution, as reported, or amendment thereto or conference report thereon, also provides that such new spending authority is to be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts. A question of order on such new spending authority may be raised at any time.

(c) DEFINITIONS.—

(1) For purposes of this section, the term "new spending authority" means spending authority not provided by law on the effective date of this section, including any increase in or addition to spending authority provided by law on such date, *except for subparagraphs (D) and (E) of paragraph (2), for which 'new spending authority' for purposes of this section means spending authority not provided by law on the effective date of those subparagraphs, including any increase in or addition to spending authority provided by law on such date.*

(2) For purposes of paragraph (1), the term "spending authority" means authority (whether temporary or permanent)—

(A) to enter into contracts under which the United States is obligated to make outlays, the budget authority for which is not provided in advance by appropriation Acts;

(B) to incur indebtedness (other than indebtedness incurred under the Second Liberty Bond Act) for the repayment of which the United States is liable, the budget authority for which is not provided in advance by appropriation Acts; [and]

(C) to make payments (including loans and grants), the budget authority for which is not provided for in advance by appropriation Acts, to any person or government if, under the provisions of the law containing such authority, the United States is obligated to make such payments to persons or governments who meet the requirements established by such law[.] ;

(D) to forego collection of proprietary off-setting receipts, the budget authority for which is not provided in advance by appropriation Acts to offset such foregone receipts; and

(E) to make payments (including loans, grants, and payments from revolving funds) other than those covered by subparagraph (A), (B), (C), or (D), the budget authority for which is not provided in advance by appropriation Acts.

Such term does not include authority to insure or guarantee the repayment of indebtedness incurred by another person or government.

* * * * * * *

(e) ESTIMATES.—For purposes of this Act, estimates of new entitlement authority shall be mesured as the cost increase or decrease from law as such law exists at the time of consideration of a bill, resolution, or conference report providing such entitlement author-

ity. Estimates of new entitlement authority for entitlements financed by trust funds or revolving funds shall be based on estimated outlays from such funds.

[REPORTING OF AUTHORIZING LEGISLATION

SEC. 402. (a) REQUIRED REPORTING DATE.—Except as otherwise provided in this section, it shall not be in order in either the House of Representatives of the Sente to consider any bill or resolution which, directly or indirectly, authorizes the enactment of new budget authority for a fiscal year, unless that bill or resolution is reported in the House or the Senate, as the case may be, on or before May 15 preceding the beginning of such fiscal year.

[(b) EMERGENCY WAIVER IN THE HOUSE.—If the Committee on Rules of the House of Representatives determines that emergency conditions require a waiver of subsection (a) with respect to any bill or resolution, such committee may report, and the House may consider and adopt, a resolution waiving the application of subsection (a) in the case of such bill or resolution.

[(c) WAIVER IN THE SENATE.—

[(1) The committee of the Senate which reports any bill or resolution may, at or after the time it reports such bill or resolution, report a resolution to the Senate (A) providing for the waiver of subsection (a) with respect to such bill or resolution, and (B) stating the reasons why the waiver is necessary. The resolution shall then be referred to the Committee on the Budget of the Senate. That committee shall report the resolution to the Senate, within 10 days after the resolution is referred to it (not counting any day on which the Senate is not in session) beginning with the day following the day on which it is so referred accompanied by the committee's recommendations and reasons for such recommendations with respect to the resolution. If the committee does not report the resolution within such 10-day period, it shall automatically be discharged from further consideration of the resolution and the resolution shall be placed on the calendar.

[(2) During the consideration of any such resolution, debate shall be limited to one hour, to be equally divided between, and controlled by, the majority leader and the minority leader or their designees, and the time on any debatable motion or appeal shall be limited to 20 minutes, to be equally divided between, and controlled by, the mover and the manager of the resolution. In the event the manager of the resolution is in favor of any such motion or appeal, the time in opposition thereto shall be controlled by the minority leader or his designee. Such leaders, or either of them, may, from the time under their control on the passage of such resolution, allot additional time to any Senator during the consideration of any debatable motion or appeal. No amendment to the resolution is in order.

[(3) If, after the Committee on the Budget has reported (or been discharged from further consideration of) the resolution, the Senate agrees to the resolution, then subsection (a) of this section shall not apply with respect to that bill or resolution referred to in the resolution.

[(d) CERTAIN BILLS AND RESOLUTIONS RECEIVED FROM OTHER HOUSE.—Notwithstanding the provisions of subsection (a), if under that subsection it is in order in the House of Representatives to consider a bill or resolution of the House, then it shall be in order to consider a companion or similar bill or resolution of the Senate; and if under the subsection it is in order in the Senate to consider a bill or resolution of the Senate, then it shall be in order to consider a companion or similar bill of the House of Representatives.

[(e) EXCEPTIONS.—

[(1) Subsection (a) shall not apply with respect to new spending authority described in section 401(c)(2)(C).

[(2) Subsection (a) shall not apply with respect to new budget authority authorized in a bill or resolution for any provision of the Social Security Act if such bill or resolution also provides new spending authority described in section 401(c)(2)(C) which, under section 401(d)(1)(A), is excluded from the application of subsection 401(b).

[(f) STUDY OF EXISTING SPENDING AUTHORITY AND PERMANENT APPROPRIATIONS.—The Committees on Appropriations of the House of Representatives and the Senate shall study on a continuing basis those provisions of law, in effect on the effective date of this section, which provide spending authority or permanent budget authority. Each committee shall, from time to time, report to its House its recommendations for terminating or modifying such provisions.]

LEGISLATION PROVIDING NEW CREDIT AUTHORITY

SEC. 402. (a) CONTROLS ON LEGISLATION PROVIDING NEW CREDIT AUTHORITY.—It shall not be in order in either the House of Representatives or the Senate to consider any bill, resolution, or conference report, as reported to its House, or any amendment which provides new credit authority described in subsection (b)(1), unless that bill, resolution, conference report, or amendment also provides that such new credit authority is to be effective for any fiscal year only to such extent or in such amounts as are provided in appropriation Acts.

(b) DEFINITIONS.—

(1) For purposes of this Act, the term "new credit authority" means credit authority not provided by law on the effective date of this section, including any increase in or addition to credit authority provided by law on such date.

(2) For purposes of this Act, the term "credit authority" means authority to incur direct loan obligations or to incur primary loan guarantee commitments.

ANALYSIS BY CONGRESSIONAL BUDGET OFFICE

SEC. 403. (a) The Director of the Congressional Budget Office shall, to the extent practicable, prepare for each bill or resolution of a public character reported by any committee of the House of Representatives or the Senate (except the Committee on Appropriations of each House), and submit to such committee—

(1) an estimate of the costs which would be incurred in carrying out such bill or resolution in the fiscal year in which it is

to become effective and in each of the 4 fiscal years following such fiscal year; together with the basis for each such estimate;

(2) an estimate of the cost which would be incurred by State and local governments in carrying out or complying with any significant bill or resolution in the fiscal year in which it is to become effective and in each of the four fiscal years following such fiscal year, together with the basis for each such estimate; [and]

(3) a comparison of the estimates of costs described in paragraph (1) and (2) with any available estimates of costs made by such committee or by any Federal agency[.] *; and*

(4) a description of each method for establishing a Federal financial commitment contained in such bill or resolution.

The estimates [and comparison], *comparison, and description* so submitted shall be included in the report accompanying such bill or resolution if timely submitted to such committee before such report is filed.

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STUDY BY THE GENERAL ACCOUNTING OFFICE OF FORMS OF FEDERAL FINANCIAL COMMITMENT THAT ARE NOT REVIEWED ANNUALLY BY CONGRESS

SEC. 405. The General Accounting Office shall study those provisions of law which provide spending authority as described by section 401(c)(2) and which provides permanent appropriations and report to the Congress its recommendations for the appropriate form of financing for activities or programs financed by such provisions not later than eighteen months after the effective date of this section. Such report shall be revised from time to time.

OFF-BUDGET AGENCIES, PROGRAMS AND ACTIVITIES

SEC. 406. (a) Notwithstanding any other provision of law, budget authority, credit authority, and estimates of outlays and receipts for all activities of the Federal Financing Bank, the Rural Electrification Administration and Rural Telephone Bank, the Strategic Petroleum Reserve Account, the United States Synthetic Fuels Corporation, the United States Railway Association, the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, and the Federal Hospital Insurance Trust Fund shall be included in a budget submitted pursuant to section 1105 of title 31, United States Code, and in a concurrent resolution on the budget reported pursuant to section 301 of the Congressional Budget Act of 1974 and shall be considered, for purposes of such Act, budget authority, outlays, and spending authority in accordance with definitions set forth in such Act.

(b) All receipts and disbursements of the Federal Financing Bank with respect to any obligations which are issued, sold, or guaranteed by a Federal agency shall be treated as a means of financing such agency for purposes of section 1105 of title 31, United States Code, and for purposes of the Congressional Budget Act of 1974. Amounts of loans guaranteed by a Federal agency which are financed by the Bank shall be included as outlays of such agency.

(c) If any committee reports any bill or resolution containing a provision or provisions having the effect of exempting any department, agency, program or activity of the United States Government from the provisions of section 1105 of title 31, United States Code, or the provisions of the Congressional Budget Act of 1974, such bill or resolution shall be referred to the Committee on Government Operations, and the Committee on Government Operations shall have the jurisdiction to report any bill or resolution referred to it under this section with an amendment or amendments, which change or strike out any such provision or provisions.

MEMBER USER GROUP

SEC. 407. The Speaker of the House of Representatives, after consulting with the Minority Leader of such House, shall appoint a Member User Group for the purpose of reviewing budgetary scorekeeping rules and practices of the House and advising the Speaker from time to time on the effect and impact of such rules and practices. Estimates made by the House Budget Committee under section 311 and section 312 shall be made in accordance with such scorekeeping rules and practices.

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TITLE VI—AMENDMENTS TO BUDGET AND ACCOUNTING ACT, 1921

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BUDGET DATA BASED ON CONTINUATION OF EXISTING LEVEL OF SERVICES

SEC. 605. (6) [On or before November 10 of each year (beginning with 1975]. *On or before the first Monday after January 3 of each year (beginning with 1985)* the President shall submit to the Senate and the House of Representatives the estimated outlays and proposed budget authority which would be included in the Budget to be submitted pursuant to section 201 of the Budget and Accounting Act, 1921, for the ensuing fiscal year if all programs and activities were carried on during such ensuing fiscal year at the same level as the fiscal year in progress and without policy changes in such programs and activities. The estimated outlays and proposed budget authority submitted pursuant to this section shall be shown by function and subfunctions (in accordance with the classifications in the budget summary table entitled "Budget Authority and Outlays by Function and Agency"), by major programs within each such function, and by agency. Accompanying these estimates shall be the economic and programmatic assumptions underlying the estimated outlays and proposed budget authority, such as the rate of inflation, the rate of real economic growth, the unemployment rate, program caseloads, and pay increases.

* * * * * * *

STUDY OF OFF-BUDGET AGENCIES

[SEC. 606. The Committees on the Budget of the House of Representatives and the Senate shall study on a continuing basis those provisions of law which exempt agencies of the Federal Government. or any of their activities or outlays, from inclusion in the Budget of the United States Government transmitted by the President under section 201 of the Budget and Accounting Act, 1921. Each committee shall, from time to time, report to its House its recommendations for terminating or modifying such provisions.]

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TITLE VIII—FISCAL AND BUDGETARY INFORMATION AND CONTROLS

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CHANGES IN FUNCTIONAL CATEGORIES

SEC. 802. Any change in the functional categories set forth in the Budget of the United States Government transmitted pursuant to section 201 of the Budget and Accounting Act, 1921, shall be made only in consultation with with the Committees on Appropriations and the Budget of the House of Representatives and Senate. *Committees of the House of Representatives and Senate shall receive prompt notification of all such changes.*

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CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974

SHORT TITLES; TABLE OF CONTENTS

SECTION 1. (a) SHORT TITLES.—This Act may be cited as the "Congressional Budget and Impoundment Control Act of 1974". Titles I through IX may be cited as the "Congressional Budget Act of 1974", and title X may be cited as the "Impoundment Control Act of 1974".

(b) TABLE OF CONTENTS.—

Sec. 1. Short titles; table of contents.

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[TITLE II—CONGRESSIONAL BUDGET PROCESS

[Sec. 300. Timetable.
[Sec. 301. Adoption of first concurrent resolution.
[Sec. 302. Matters to be included in joint statement of managers; reports by committees.
[Sec. 303. First concurrent resolution on the budget must be adopted before legislation providing new budget authority, new spending authority, or changes in revenues or public debt limit is considered.
[Sec. 304. Permissible revisions of concurrent resolutions on the budget.
[Sec. 305. Provisions relating to the consideration of concurrent resolutions on the budget.
[Sec. 306. Legislation dealing with congressional budget must be handled by budget committees.
[Sec. 307. House committee action on all appropriation bills to be completed before first appropriation bill is reported.

[Sec. 308. Reports, summaries, and projections of congressional budget actions.
[Sec. 309. Completion of action on bills providing new budget authority and certain new spending authority.
[Sec. 310. Second required concurrent resolution and reconciliation process.
[Sec. 311. New budget authority, new spending authority, and revenue legislation must be within appropriate levels.]

TITLE III—CONGRESSIONAL BUDGET PROCESS

Sec. 300. Timetable.
Sec. 301. Annual adoption of concurrent resolution on the budget.
Sec. 302. Committee allocations.
Sec. 303. Concurrent resolution on the budget must be adopted before legislation providing new budget authority, new spending authority, new credit authority or changes in revenues or the public debt limit is considered.
Sec. 304. Permissible revisions of concurrent resolutions on the budget.
Sec. 305. Procedures relating to consideration of concurrent resolutions on the budget.
Sec. 306. Legislation dealing with congressional budget must be handled by budget committees.
Sec. 307. House committee action on all appropriation bills to be completed by June 10.
Sec. 308. Reports, summaries, and projections of congressional budget actions.
Sec. 309. Approval of regular appropriation bills.
Sec. 310. Reconciliation.
Sec. 311. New budget authority, new spending authority, new credit authority, and revenue legislation must be within appropriate levels.
Sec. 312. Committee allocation controls.

TITLE IV—ADDITIONAL PROVISIONS TO IMPROVE FISCAL PROCEDURES

Sec. 401. Bills providing new spending authority.
[Sec. 402. Reporting of authorizing legislation.] *Sec. 402. Legislation providing new credit authority.*
Sec. 403. Analyses by Congressional Budget Office.
Sec. 404. Jurisdiction of Appropriations Committees.
Sec. 405. Study by the General Accounting Office of forms of Federal financial commitment that are not reviewed annually by Congress.
Sec. 406. Off-budget agencies, programs, and activities.
Sec. 407. Member user group.

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TITLE VI—AMENDMENTS TO BUDGET AND ACCOUNTING ACT 1921

Sec. 601. Matters to be included in President budget.
Sec. 602. Midyear review.
Sec. 603. Five-year budget projections.
Sec. 604. Allowances for supplemental budget authority and uncontrollable outlays.
Sec. 605. Budget data leased on continuation of existing level of services.
[Sec. 606. Study of off-budget agencies.]
Sec. 607. Year-ahead requests for authorization of new budget authority.

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DEFINITIONS

SEC. 3. IN GENERAL.—For purposes of this Act—

(1) * * *

(2) The term "budget authority" means authority provided by law to enter into obligations which will result in immediate or future outlays involving Government funds *or to collect offsetting receipts*, except that such term does not include authority to insure or guarantee the repayment of indebtedness incurred by another person or government.

* * * * * * *

(4) The term "concurrent resolution on the budget" means—

(A) a concurrent resolution setting forth the congressional budget for the United States Government for a fiscal year as provided in section 301; *and*

[(B) a concurrent resolution reaffirming or revising the congressional budget for the United States Government for a fiscal year as provided in section 310; and]

[(C)] *(B)* any other concurrent resolution revising the congressional budget for the United States Government for a fiscal year as described in section 304.

* * * * * * *

(6) The term "allocation for discretionary action" means an amount for control of congressional action to increase or decrease levels under current law of budget authority (excluding such authority to cover entitlement authority in the case of the Committee on Appropriations), direct loan obligations or primary loan guarantee commitments, spending authority as described by section 401(c)(2), revenues, and tax expenditures (excluding the effect of changes in tax rates under existing law).

(7) The term "entitlement authority" means spending authority described by section 401(c)(2)(C)

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TITLE 31, UNITED STATES CODE

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Subtitle II—The Budget Process

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CHAPTER 11—THE BUDGET AND FISCAL, BUDGET, AND PROGRAM INFORMATION

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§ 1105. Budget contents and submission to Congress

(a) [During the first 15 days of each regular session of Congress], *On or before the first Monday after January 3 of each year,* the President shall submit a budget of the United States Government for the following fiscal year. Each budget shall include a budget message and summary and supporting information. *Not later than two weeks after submission of the budget, the Office of Management and Budget shall submit to Congress the text of legislation necessary to implement budget proposals affecting revenues and spending authority as described in section 401(c)(2)(C) of the Congressional Budget Act of 1974.* The President shall include in each budget the following:

(1) information on activities and functions of the Government.

* * * * * * *

§ 1106. Supplemental budget estimates and changes

(a) * * *

(b) Before [April 11 and] July 16 of each year, the President shall submit to Congress a statement of changes in budget authority requested, estimated budget outlays, and estimated receipts for the fiscal year for which the budget is submitted (including prior changes proposed for the executive branch of the Government) that the President decides are necessary and appropriate based on current information. The statement shall include the effect of those changes on the information submitted under section 1105(a)(1)–(14) and (b) of this title and shall include supporting information as practicable. The statement submitted before July 16 may be included in the information submitted under subsection (a)(1) of this section.

* * * * * * *

§ 1109. Current programs and activities estimates

(a) [Before November 11 of each year,] *On or before the first Monday after January 3 of each year,* the President shall submit to both Houses of Congress the estimated budget outlays and proposed budget authority that would be included in the budget for the following fiscal year if programs and activities of the United States Government were carried on during that year at the same level as the current fiscal year without a change in policy. The President shall state the estimated budget outlays and proposed budget authority by function and subfunction under the classifications in the budget summary table under the heading "Budget Authority and Outlays by Function and Agency", by major programs in each function, and by agency. The President also shall include a statement of the economic and program assumptions on which those budget outlays and budget authority are based including inflation real economic growth, and unemployment rates, program caseloads, and pay increases.

* * * * * * *

CHANGES IN THE RULES OF THE HOUSE OF REPRESENTATIVES MADE BY H.R. 5247 AS REPORTED

For the information of the Members of the House of Representatives, changes in the Rules of the House of Representatives made by H.R 5247 as reported, are shown as follows (existing matter proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing matter in which no change is proposed is shown in roman):

RULES OF THE HOUSE OF REPRESENTATIVES

* * * * * * *

RULE X

ESTABLISHMENT AND JURISDICTION OF STANDING COMMITTEES

The Committees and Their Jurisdiction

1. There shall be in the House the following standing committees, each of which shall have the jurisdiction and related functions assigned to it by this clause and clauses 2, 3, and 4; and all bills, resolutions, and other matters relating to subjects within the jurisdiction of any standing committee as listed in this clause shall (in accordance with and subject to clause 5) be referred to such committees, as follows:

(a) Committee on Agriculture.— * * *

* * * * * * *

[(e)(1) Committee on the Budget, to consist of thirty Members as follows:

[(A) twenty-eight Members who are members of other standing committees, including five Members who are members of the Committee on Appropriations, and five Members who are members of the Committee on Ways and Means;

[(B) one Member from the leadership of the majority party; and

[(C) one Member from the leadership of the minority party.]

(e)(1) Committee on the Budget, to consist of—

(A) majority party Members as follows:

(i) one Member to serve as chairman;

(ii) three Members who are members of the Committee on Appropriations, three Members who are members of the Committee on Ways and Means, two Members who are members of the Committee on Rules, and eight Members from other standing committees (except the Committee on Standards of Official Conduct); and

(iii) one Member designated by the Speaker from its leadership; and

(B) minority party Members as follows:

(i) one Member from its leadership; and

(ii) such additional Members necessary to maintain the appropriate ratio for the committee.

No Member other than the representative from the leadership of the majority party and the representative from the leadership of the minority party shall serve as a member of the Committee on the Budget during more than three Congresses in any period of five successive Congresses beginning after 1974 (disregarding for this purpose any service performed as a member of such committee for less than a full session in any Congress), except that an incumbent chairman having served on the committee for three Congresses and having served as chairman of the committee for not more than one Congress shall be eligible for reelection to the committee as chairman for one additional Congress. All selections of Members to serve on the committee shall be made without regard to seniority.

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(j) Committee on Government Operations.

(1) * * *

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(6) Budgetary treatment of agencies or programs referred to the committee pursuant to section 406 of the Congressional Budget Act of 1974.

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SPECIAL OVERSIGHT FUNCTIONS

3. (a) * * *

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The Committee on Rules shall have the function of reviewing and studying, on a continuing basis, the congressional budget process, and the committee shall, from time to time, report its findings and recommendations to the House.

ADDITIONAL FUNCTIONS OF COMMITTEES

4. (a)(1)(A) * * *

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SEC. . (b) THE COMMITTEE ON THE BUDGET SHALL HAVE THE DUTY—

(1) to review on a continuing basis the conduct by the Congressional Budget Office of its functions and duties;

(2) to hold hearings, and receive testimony from Members of Congress and such appropriate representatives of Federal departments and agencies, the general public, and national organizations as it deems desirable, in developing the [first concurrent resolution] *concurrent resolutions* on the budget for each fiscal year;

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SEC. . (g) Each standing committee of the House shall, on or before [March 15] *February 25* of each year, submit to the Committee on the Budget (1) its views and estimates with respect to all matters to be set forth in the concurrent resolution on the budget for the ensuing fiscal year which are within its jurisdiction or functions, and (2) an estimate of the total amounts of new budget authority, and budget outlays resulting therefrom, to be provided or authorized in all bills and resolutions within its jurisdiction which it intends to be effective during that fiscal year. The views and estimates submitted by the Committee on Ways and Means under the preceding sentence shall include a specific recommendation, made after holding public hearings, as to the appropriate level of the public debt which should be set forth in the concurrent resolution on the budget referred to in such sentence and serve as the basis for an increase or decrease in the statutory limit on such debt under the procedures provided by rule XLIX.

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ELECTION AND MEMBERSHIP OF COMMITTEES; CHAIRMEN; VACANCIES; SELECT AND CONFERENCE COMMITTEES

SEC. 6. (a)(1) The standing committees specified in clause 1 shall be elected by the House [at] *within the seventh calendar day beginning after* the commencement of each Congress, from nominations submitted by the respective party caucuses. *It shall always be in order to consider resolutions recommended by the respective party caucuses to change the composition of standing committees.*

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RULE XI

RULES OF PROCEDURES FOR COMMITTEES

1. (a)(1) IN GENERAL.—* * *

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COMMITTEE RULES

Adoption of written rules

2. (a) * * *

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Committee procedures for reporting bills and resolutions

(l)(1)(A) It shall be the duty of the chairman of each committee [(except as provided in subdivision (C))] to report or cause to be reported promptly to the House any measure approved by the committee and to take or cause to be taken necessary steps to bring the matter to a vote.

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[(C) Before reporting the first regular appropriation bill for each fiscal year, the Committee on Appropriations shall, to the extent practicable and in accordance with section 307 of the Congressional Budget Act of 1974, complete subcommittee markup and full com-

mittee action on all regular appropriation bills for that year and submit to the House a summary report comparing the committee's recommendations with the appropriate levels of budget outlays and new budget authority as set forth in the most recently agreed to concurrent resolution on the budget for that year.]

* * * * * * *

(3) The report of any committee on a measure which has been approved by the committee (A) shall include the oversight findings and recommendations required pursuant to clause 2(b)(1) of Rule X separately set out and clearly identified; (B) the statement required by section 308(a)*(1)* of the Congressional Budget Act of 1974, separately set out and clearly identified, if the measure provides [new budget authority or new or increased tax expenditures] *new budget authority (other than continuing appropriations), new spending authority described in section 401(c)(2) of such Act, new credit authority, or an increase or decrease in revenues or tax expenditures;* (C) the estimate and comparison prepared by the Director of the Congressional Budget Office under section 403 of such Act, separately set out and clearly identified, whenever the Director (if timely submitted prior to the filing of the report) has submitted such estimate and comparison to the committee; and (D) a summary of the oversight findings and recommendations made by the Committee on Government Operations under clause 4(c)(2) of Rule X separately set out and clearly identified whenever such findings and recommendations have been submitted to the legislative committee in a timely fashion to allow an opportunity to consider such findings and recommendations during the committee's deliberations on the measure.

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RULE XXI

ON BILLS

1.* * *

2. (a) No appropriation shall be reported in any general appropriation bill, or shall be in order as an amendment thereto, for any expenditure not previously authorized by law, except to continue appropriations for public works and objects which are already in progress.

(b) No provision changing existing law shall be reported in any general appropriation bill except germane provisions which retrench expenditures by the reduction of amounts of money covered by the bill, which may include those recommended to the Committee on Appropriations by direction of any legislative committee having jurisdiction over the subject matter thereof, *and except rescissions of appropriations contained in appropriation. Acts.*

* * * * * * *

6. No general appropriation bill or amendment thereto shall be received or considered if it contains a provision reappropriating unexpended balances of appropriations; except that this provision shall not apply to appropriations in continuation of appropriations for public works on which work has commenced, *and shall not*

apply to transfers of unexpended balances within the department or agency for which they were originally appropriated, reported by the Committee on Appropriations.

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RULE XLIX

ESTABLISHMENT OF STATUTORY LIMIT ON THE PUBLIC DEBT

1. Upon the adoption by the Congress (under section 301[, 304, or 310] *or 304* of the Congressional Budget Act of 1974) of any concurrent resolution on the budget setting forth as the appropriate level of the public debt for the period to which such concurrent resolution relates an amount which is different from the amount of the statutory limit on the public debt that would otherwise be in effect for such period, the enrolling clerk of the House of Representatives shall prepare an engrossment of a joint resolution, in the form prescribed in clause 2, increasing or decreasing the statutory limit on the public debt by an amount equal to the difference between such limit and such appropriate level. The vote by which the conference report on the concurrent resolution on the budget was agreed to in the House (or by which the concurrent resolution itself was adopted in the House, if there is no conference report) shall be deemed to have been a vote in favor of such joint resolution upon final passage in the House of Representatives. Upon the engrossment of such joint resolution it shall be deemed to have passed the House of Representatives and been duly certified and examined; the engrossed copy shall be signed by the Clerk and transmitted to the Senate for further legislative action; and (upon final passage by both Houses) the joint resolution shall be signed by the presiding officers of both Houses and presented to the President for his signature (and otherwise treated for all purposes) in the manner provided for bills and joint resolutions generally.

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ADDITIONAL VIEWS OF DAVID E. BONIOR

Why do we need a budget process? In a word . . . deficits. As Federal expenditures exceed revenues and competition for Federal dollars becomes fierce, we need the rigors and self-discipline of a congressional budget process.

The Congressional Budget and Impoundment Control Act of 1974 was a major step toward budgetary coordination and disciplined spending controls. This bill, H.R. 5247, is a major step toward controlling "backdoor" spending which has proliferated as a result of tighter spending controls enforced by the 1974 budget act.

H.R. 5247 would include Federal credit activities in the budget resolution making them subject to the same controls as spending. Currently, an advisory credit budget is included in the budget resolution.

The bill would also include tax expenditures in the budget resolution and, like credit activities, subject them to the same budgetary controls which currently apply to spending. A recommended change in the level of revenue lost through tax expenditures would appear in the budget resolution separate from the total revenue levels. Under H.R. 5247, tax expenditures would finally become part of the budget process rather than undisciplined revenue losses which allow the clever to thumb their noses at congressional efforts to hold down spending while they raid the Federal Treasury through the extraordinarily complex tax code.

I understand the provisions in H.R. 5247 regarding tax expenditures will most likely draw considerable attention. However, in my opinion, without the provision, efforts at honest, straightforward and effective budgeting are futile and our hopes of reducing the gargantuan deficit lost.

I realize statistics can be tedious but I am aware of no better way to clearly establish the sheer magnitude of the tax expenditure problem and to show it is increasing at an outrageous pace.

In fiscal year 1968, the annual report of the Secretary of the Treasury contained the first comprehensive figures regarding tax expenditures. Then, there were 50 tax expenditures in the tax code. Currently, in 1984, according to the Congressional Budget Office, (CBO) and the Joint Committee on Tax, (JCT) there are 108.

In 1968, the revenue loss to the Treasury through tax expenditures was $36.6 billion. In fiscal year 1983, the revenue loss was $290.3 billion. In absolute terms, the sum total of tax expenditures has grown more than 600% while the growth in total outlays during the same period was 345%. In terms of the gross national product, tax expenditures grew from $4.4% to 9%, a doubling, while outlays only increased from 21% to 25%.

The CBO estimated tax expenditures in 1985 will account for a $347.7 billion loss to the Treasury, a $359.9 billion loss in 1986 and a $439.4 billion loss in 1987.

Despite these staggering figures, there are many who still have reservations about attempts to control tax expenditures. These concerns are: 1) that there is no definition of a tax expenditure and agreement on an identical list cannot be reached, 2) that tax expenditures cannot be measured, 3) that setting a number in the budget resolution for the appropriate change in tax expenditure levels separate from revenue levels is an intrusion on the jurisdiction of the tax writing committees, and 4) due to these problems, we need to experiment more with tax expenditure data before we make allocations binding.

To begin, tax expenditures are defined in law. The Congressional Budget and Impoundment Control Act of 1974 defines them: "The term 'tax expenditures' means those revenue losses attributable to provisions in the Federal tax laws which allow a special exclusion, exemption or deduction from gross income or which provides a special credit, a preferential rate of tax, or a deferral of tax liability." To continue to maintain that tax expenditures cannot be defined, is to simply be unaware of the law.

As for a list of actual expenditures, until very recently, there has been nearly total agreement in the lists of tax expenditures prepared by Treasury, CBO and JCT. It was not until this administration changed the groundrules upon which Treasury now identifies tax expenditures that a problem with the list occurred. The CBO and JCT continue to produce identical lists and there are only 3 out of 108 in disagreement in the Treasury lists.

H.R. 5247 solves the identification problem by simply stating that the CBO shall provide the inventory of tax expenditures used in developing a congressional budget. Should there be a dispute over inclusion which could not be resolved at the CBO, the House itself would decide. With that decision, the definition problem, ends.

The concerns expressed about measuring tax expenditures have primarily been directed at an old proposal which would have set an aggregate total for all tax expenditures in the budget resolution. H.R. 5247 does not set an aggregate ceiling, but merely sets a level for appropriate change in tax expenditures.

Mr. Ruldolph Penner, Director of the CBO, stated before the budget task force in February of 1984, that, "Indeed, from a purely technical point of view, the approach that you have taken in your plan, you just talk about the change in tax expenditures, is much easier to deal with than if you had said that the resolution should contain a target for all tax expenditures." By limiting the budget resolution instructions to changes in the tax expenditure levels, the problem of measuring the synergistic effect is limited to the few tax expenditures chosen for alteration, not all 108. There are very few who still believe this sort of measurement cannot be performed.

There are those who feel that setting, in the budget resolution, a figure for the appropriate level of change in tax expenditures separate from the revenue total is an unwarranted intrusion into the jurisdiction of the revenue committees. Currently, some spending committees are given an allocation for outlays as well as a separate allocation for new entitlement authority. Under H.R. 5247, committees, would be given yet another allocation for credit. As new enti-

tlement authority is a subset of direct outlays, tax expenditures are a subset of revenue. Setting a separate allocation for tax expenditures does not deviate from established precedent and does not limit revenue committee prerogatives in any unique fashion.

In fact, the proposal in H.R. 5247 would not specify which tax expenditures should be changed to meet the allocation nor would specify what budget functions those tax expenditures should be in. There are currently 108 tax expenditures which account for $347.7 billion in lost revenue in FY 1985. In the House, the Ways and Means Committee would have total discretion as to where, in all of that, the changes called for in the budget resolution would occur. Compare that to some committees, like Foreign Affairs, which have only one program within their jurisdiction from which to make the changes necessary to match their allocations and the argument of Committee prerogatives runs out of steam.

Even among those who support controlling tax expenditures in the budget resolution, there are some who feel we are moving too fast in H.R. 5247. They feel we should do what is right—but later. These critics feel we should compile data on tax expenditures and treat it as advisory for a few years, like we have done with the credit budget. But, we have been doing exactly that. And, we nave been compiling tax expenditure data much longer than we have credit data.

The Budget Committee has been including an advisory credit budget in the budget resolution only since 1981. The Treasury Department has been compiling statistics on tax expenditures since 1968 and, since 1974 the CBO figures mandated by the 1974 budget act have been included in the report accompanying the budget resolution. We have enough experimenting. We know how to deal with the data.

We cannot seriously hope to control tax expenditures unless the allocation levels are binding, as they are in the provisions of H.R. 5247. It is not the definitional, measurement or committee jurisdiction problems which cause consternation about controlling tax expenditures. It is the simple fact that controlling the revenue lost through tax expenditures means making still more tough budget decisions.

Tax expenditures are regressive and primarily benefit the wealthy and corporate America. Thirty percent of the benefits from tax expenditures available to individual taxpayers go to the wealthiest 4%, while the corporate income tax as a percentage of all income taxes paid has fallen from 21% in 1960 to only 6% in 1983. Reducing this largess will be difficult. But it should be no more difficult than cutting medicare and medicaid and child nutrition programs and social security benefits and student loans and education programs or any of the other programs benefitting the middle and low income taxpayers which we have already cut in our attempt to reduce the deficit.

It is not the question of our ability to master the mechanics of the tax expenditure proposal in H.R. 5247 which is pivotal here. It is the question of this body's resolve to seriously tackle the outrageous deficit and to do it in a manner which requires sacrifice from all sectors of American life.

With a federal deficit of $200 billion, the danger is in waiting. The danger is in not controlling the tax expenditure leak in the budget dike. The danger does not lie in the outside chance that we may get a few numbers wrong our first time around.

DAVID E. BONIOR.

MINORITY VIEWS ON H.R. 5247

We cannot support H.R. 5247 as reported by the Rules Committee, nor do we think a measure of such complexity, controversy or importance should be considered by the House in the waning days of the 98th Congress.

We commend the Task Force on the Budget Process for conducting an important review of the budget process over the last two Congresses, and for its sincere efforts to improve that process through further amendments to the Budget Act. H.R. 5247 contains many salutary changes which can be used as a foundation and building blocks in the next Congress for making necessary changes in the budget process. We are particularly supportive of making the budget process more comprehensive, of moving to a single binding budget resolution, and of accelerating the timetable for considering budgetary matters.

However, we would observe that many of the changes made by the bill are already being implemented under the authority of the Budget Act's elastic clause. Moreover, we think that on balance, the present Budget Act is potentially stronger in enforcing budgetary discipline than the amendments made by H.R. 5247. The main test for including many of these provisions seemed to be whether they would appease some critics of the budget process who would just as soon have the whole Act abolished. While H.R. 5247 makes some bows in the direction of those who want to weaken the budget process, it must be recognized that even as reported the bill will not begin to satisfy their demands.

On the other hand, those of us who wish to see the budget process further strengthened can hardly be satisfied with those provisions which take a step backwards. We would cite as just two examples the exception to section 311 points of order for those bills which breach our budget resolution aggregates but are within a committee's discretionary action allocation; and the provision changing the composition of the Budget Committee with a view to making it more a creature of other committees of the House. Our attempt to strike the former exemption and further strengthen the Budget Act by subjecting Appropriations subcommittee bills to points of order if they breached their own allocation subdivisions were dismissed out-of-hand by the Rules Committee.

Moreover, we took strong exception to the new enforcement provisions for so-called tax expenditures. Under H.R. 5247, budget resolutions would not only specify the amounts by which tax expenditures should be changed, but would enforce these through reconciliation directives and allocation points of order. We offered the more modest proposal of proceeding with tax expenditure levels on an advisory basis, much as we have done with credit authority over the past few years. Our amendment would call for an evaluation of these advisory tax expenditure provisions over two years after

which Congress could consider further amendments to the Budget Act. We do not feel it is fair to the tax committees to dictate a specific revenue mix between tax expenditure and other tax changes to achieve the desired levels of revenues, any more than it would be fair to dictate to other committees how best to achieve their savings as directed by the budget resolution. The tax committees are already subject to reconciliation directives with respect to overall tax changes, and we have no objection to that.

While we have other concerns about H.R. 5247, we think these and other issues are not ripe for consideration by this Congress and should be looked at anew in the 99th Congress when we will have more time to adequately deliberate on these matters. A Congress already bogged-down with critical matters which must be completed prior to the October adjournment, and especially a Congress preoccupied with conventions and elections, does not provide a conducive climate for a comprehensive overhaul of the Congressional Budget Act.

JAMES H. QUILLEN.
DELBERT LATTA.
TRENT LOTT.
GENE TAYLOR.

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